Montana Legislative History

Chapter: 568
Bill Number: 519

Session L: 1993
House

Checklist of Bill History

History and Final Status Sheet	☒
Introduced Bill	☒
Fiscal Note	☐
Third Reading Bill	☒
Final Version of Bill	☒

House	**Senate**
Committee: Taxation	Committee: Taxation
Hearing Date(s): February 16, 1993	Hearing Date(s): March 23, 1993
Committee Report:	Committee Report:

Conference Committee

Hearing Date(s):

Conference Committee Report:

Compiler Notes

Compiled by: FLR

Date: September 28, 2023

Notes: I am unsure of where to locate the Fiscal Notes associated with this bill. Due to staff a shortage and employees out sick, we are happy to provide what we can. Thank you.

54th legislature on the effect of the voluntary termination incentives offered to members of the teachers' retirement system employed by the Montana university system. These reports must include, but are not limited to:

(1) a summary of the positions from which employees terminated employment under the provisions of [section 1];

(2) whether positions vacated under [section 1] were refilled and when; and

(3) the cost or savings resulting from the implementation of [section 1].

Section 5. **Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to occurrences on or after March 1, 1993.

Section 6. **Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 19, chapter 3, part 9, and the provisions of Title 19, chapter 3, part 9, apply to [section 1].

Section 7. **Effective date.** [This act] is effective on passage and approval.

Section 8. **Termination.** [Sections 2 and 3] terminate June 30, 1995.

Approved April 28, 1993.

CHAPTER NO. 568

[HB 519]

AN ACT CLARIFYING THE DEFINITION OF RECYCLED MATERIAL THAT IS ELIGIBLE FOR A DEDUCTION FROM TAXABLE INCOME; PROVIDING THAT A TAX CREDIT FOR DEDUCTIBLE EQUIPMENT USED IN RECLAIMING MATERIAL MAY ALSO BE CLAIMED FOR RECLAIMING CERTAIN MATERIAL GENERATED BY THE TAXPAYER; INCREASING THE DEDUCTION ALLOWED FOR PURCHASE OF RECYCLED MATERIAL TO 10 PERCENT FROM 5 PERCENT; AMENDING SECTIONS 15-32-601, 15-32-603, AND 15-32-610, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE.

STATEMENT OF INTENT

A statement of intent is included in this bill because [section 2] requires rulemaking by the department of revenue. The department is to conduct rulemaking to define the recycled materials that qualify for a tax deduction under 15-32-610.

The goal of amending 15-32-601 and of adopting rules to implement the amendment is to reduce solid waste and pollution. The greater the quantity of material reclaimed, the longer landfills will last and the less pollution they will create. The best way to reduce landfill material is to reclaim postconsumer material for reuse. The rules of the department should provide for using the maximum postconsumer reclaimed material content possible when defining the reclaimed material eligible for additional tax deduction.

It is intended that the department keep abreast of the recycling industry and try to encourage maximum use of recycled materials through the use of the

tax deduction. The department should define recycled material by the amount and type of reclaimable material, as defined in 15-32-601, that it contains. The amount of material may be measured by volume, weight, fiber content, or other applicable standard. Recycled material may also be defined by the type of reclaimed material it contains, such as postconsumer, de-inked, or other applicable type.

The amounts and types of reclaimed material should follow industry standards so that industry labeling, as certified by appropriate bodies, can be used by purchasers to ensure that the products they are purchasing meet departmental deductibility definitions.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 15-32-601, MCA, is amended to read:

"15-32-601. *(Temporary)* **Definitions.** For the purposes of this part, unless otherwise required by the context, the following definitions apply:

(1) "Collect" means the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility.

(2) "Postconsumer material" means a product or packaging material that has served its final intended use, that has been discarded by an individual, commercial enterprise, or other entity after having fulfilled its intended application or use, and that is usually thrown away and hauled to landfills. This term does not include wastes generated during production of an end product.

~~(2)~~*(3)* "Reclaimable material" means material that has useful physical or chemical properties after serving a specific purpose and that would normally be disposed of as solid waste, as defined in 75-10-203, by a consumer, processor, or manufacturer. *Except for claiming a tax credit as provided in 15-32-603(1)(d), material may not be considered reclaimed by the consumer, processor, or manufacturer that generated the material.*

~~(3)~~*(4)* "Recycled material" means a substance that is produced from ~~at least 90%~~ reclaimed material *as provided in [section 2].* *(Terminates December 31, 1995—sec. 9, Ch. 712, L. 1991.)*"

Section 2. **Recycled material qualifying for deduction — purpose — rulemaking.** (1) The purpose of providing a tax deduction for the purchase of recycled materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

(2) The department shall by rule adopted pursuant to 15-32-611 specify recycled material that qualifies for the deduction authorized by 15-32-610. The department shall classify qualifying recycled material into different categories based upon the reclaimed material used in producing the recycled material, the ultimate use of the recycled material produced from the reclaimed material, and

the amount and type of reclaimed material the recycled material must contain. In the definition of recycled material, the department may consider the point in the manufacturing and consumption cycle from which material was reclaimed and other factors contributing to precise definitions.

(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

(4) The rules must specify the unit of measurement for classifications of recycled materials. The measurement may be based upon volume, weight, fiber content, or other applicable standard.

(5) The department shall by rule designate one or more agencies that are generally recognized in the industry to certify the contents of recycled materials.

Section 3. Section 15-32-603, MCA, is amended to read:

"15-32-603. *(Temporary)* **Credit for investment in property used to collect or process reclaimable material or to manufacture a product from reclaimed material.** (1) The following requirements must be met to be entitled to a tax credit for investment in property to collect or process reclaimable material or to manufacture a product from reclaimed material:

(a) The investment must be for depreciable property used primarily to collect or process reclaimable material or to manufacture a product from reclaimed material.

(b) (i) The taxpayer claiming a credit must be a person who, as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that collects or processes reclaimable material or that manufactures a product from reclaimed material. For the purposes of this section, a business qualifies as a business that collects reclaimable material if it gathers reclaimable material for later sale or processing for another business that has as its primary business function the collection or processing of reclaimable material or the manufacture of a product from reclaimed material. The collection of reclaimable material may be a minor or nonprofit part of a business otherwise engaged in a retail trade or other business activity.

(ii) The taxpayer may but need not operate or conduct a business that collects or processes reclaimable material or manufactures a product from reclaimed material. If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (1)(b), and must have been collecting or processing reclaimable material or manufacturing a product from reclaimed material during the tax year for which the credit is claimed.

(d) The reclaimed material collected, processed, or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit *unless:*

(i) the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and

(ii) standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

(2) A credit under this section may be claimed by a taxpayer for a business only if the qualifying property was purchased on or after January 1, 1990, but before January 1, 1996.

(3) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(4) A tax credit otherwise allowable under this section that is not used by the taxpayer in the taxable year may not be carried forward to offset a taxpayer's tax liability for any succeeding tax year.

(5) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(6) If the taxpayer is a shareholder of an electing small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to collect or process reclaimable material or to manufacture a product from reclaimed material. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law. *(Terminates December 31, 1995—sec. 9, Ch. 712, L. 1991.)"*

Section 4. Section 15-32-610, MCA, is amended to read:

"15-32-610. *(Temporary)* **Deduction for purchase of recycled material.** In addition to all other deductions from adjusted gross individual income allowed in computing taxable income under Title 15, chapter 30, or from gross corporate income allowed in computing net income under Title 15, chapter 31, part 1, a taxpayer may deduct an additional amount equal to ~~5%~~ *10%* of the taxpayer's expenditures for the purchase of recycled material that was otherwise deductible by the taxpayer as business-related expense in Montana. *(Terminates December 31, 1995—sec. 9, Ch. 712, L. 1991.)"*

Section 5. **Codification instruction.** [Section 2] is intended to be codified as an integral part of Title 15, chapter 32, part 6, and the provisions of Title 15, chapter 32, part 6, apply to [section 2].

Section 6. **Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1992.

Approved April 28, 1993.

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OF MONTANA

HISTORY AND FINAL STATUS

of Bills and Resolutions

of the

SENATE

and

HOUSE OF REPRESENTATIVES

of the State of Montana

FIFTY-THIRD
LEGISLATURE

REGULAR SESSION

January 4, 1993 to April 24, 1993

FRED VAN VALKENBURG
President of the Senate

CLAUDIA CLIFFORD
Secretary of the Senate

JOHN MERCER
Speaker of the House

MARILYN MILLER
Chief Clerk of the House

HB 519 INTRODUCED BY BARNHART, ET AL.

CLARIFY TAX DEDUCTION FOR RECYCLED AND RECLAIMED MATERIALS

2/08	INTRODUCED		
2/08	REFERRED TO TAXATION		
2/08	FIRST READING		
2/08	FISCAL NOTE REQUESTED		
2/12	FISCAL NOTE RECEIVED		
2/13	FISCAL NOTE PRINTED		
2/16	HEARING		
2/23	COMMITTEE REPORT—BILL PASSED		
3/02	2ND READING PASSED	87	11
3/05	3RD READING PASSED	85	14
	TRANSMITTED TO SENATE		
3/08	FIRST READING		
3/08	REFERRED TO TAXATION		
3/23	HEARING		
4/03	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/12	2ND READING CONCURRED	48	0
4/13	3RD READING CONCURRED	46	3
	RETURNED TO HOUSE WITH AMENDMENTS		
4/15	2ND READING AMENDMENTS CONCURRED	91	9
4/16	3RD READING AMENDMENTS CONCURRED	89	10
4/21	SIGNED BY SPEAKER		
4/23	SIGNED BY PRESIDENT		
4/23	TRANSMITTED TO GOVERNOR		
4/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 568		
	EFFECTIVE DATE: 10/01/93		

HB 520 INTRODUCED BY RANEY, ET AL.

MAKE PERMANENT AND EXPAND USE OF STATE BULLETIN BOARD

2/08	INTRODUCED		
2/08	REFERRED TO STATE ADMINISTRATION		
2/08	FIRST READING		
2/08	FISCAL NOTE REQUESTED		
2/12	HEARING		
2/13	FISCAL NOTE RECEIVED		
2/15	FISCAL NOTE PRINTED		
2/16	COMMITTEE REPORT—BILL PASSED		
2/17	CORRECTED FISCAL NOTE RECEIVED		
2/17	CORRECTED FISCAL NOTE PRINTED		
2/17	2ND READING PASSED	83	15
2/19	3RD READING PASSED	81	16
	TRANSMITTED TO SENATE		
2/22	FIRST READING		
2/22	REFERRED TO STATE ADMINISTRATION		
3/10	HEARING		
3/11	COMMITTEE REPORT—BILL CONCURRED		
3/12	2ND READING CONCURRED	46	2
3/13	3RD READING CONCURRED	39	8
	RETURNED TO HOUSE		
3/16	SIGNED BY SPEAKER		
3/18	SIGNED BY PRESIDENT		
3/20	TRANSMITTED TO GOVERNOR		
3/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 166		
	EFFECTIVE DATE: 10/01/93		

HOUSE BILL NO. 519

INTRODUCED BY BARNHART, HALLIGAN, SWANSON, RYAN, ECK, REAM, HARPER

IN THE HOUSE

FEBRUARY 8, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 23, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
MARCH 2, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
MARCH 3, 1993	ENGROSSING REPORT.
MARCH 5, 1993	THIRD READING, PASSED. AYES, 85; NOES, 14.
MARCH 6, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 8, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 3, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 12, 1993	SECOND READING, CONCURRED IN.
APRIL 13, 1993	THIRD READING, CONCURRED IN. AYES, 46; NOES, 3.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993	SECOND READING, AMENDMENTS CONCURRED IN.
APRIL 16, 1993	THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

House BILL NO. 519

INTRODUCED BY B Barnhart Hollgan Swanson
Lynn Rogers Eck Rehm Harper

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF RECYCLED MATERIAL THAT IS ELIGIBLE FOR A DEDUCTION FROM TAXABLE INCOME; PROVIDING THAT A TAX CREDIT FOR DEDUCTIBLE EQUIPMENT USED IN RECLAIMING MATERIAL MAY ALSO BE CLAIMED FOR RECLAIMING CERTAIN MATERIAL GENERATED BY THE TAXPAYER; AMENDING SECTIONS 15-32-601 AND 15-32-603, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is included in this bill because [section 2] requires rulemaking by the department of revenue. The department is to conduct rulemaking to define the recycled materials that qualify for a tax deduction under 15-32-610.

The goal of amending 15-32-601 and of adopting rules to implement the amendment is to reduce solid waste and pollution. The greater the quantity of material reclaimed, the longer landfills will last and the less pollution they will create. The best way to reduce landfill material is to reclaim postconsumer material for reuse. The rules of the department should provide for using the maximum postconsumer reclaimed material content possible when defining the

reclaimed material eligible for additional tax deduction.

It is intended that the department keep abreast of the recycling industry and try to encourage maximum use of recycled materials through the use of the tax deduction. The department should define recycled material by the amount and type of reclaimable material, as defined in 15-32-601, that it contains. The amount of material may be measured by volume, weight, fiber content, or other applicable standard. Recycled material may also be defined by the type of reclaimed material it contains, such as postconsumer, de-inked, or other applicable type.

The amounts and types of reclaimed material should follow industry standards so that industry labeling, as certified by appropriate bodies, can be used by purchasers to ensure that the products they are purchasing meet departmental deductibility definitions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-32-601, MCA, is amended to read:

"**15-32-601. (Temporary) Definitions.** For the purposes of this part, unless otherwise required by the context, the following definitions apply:

(1) "Collect" means the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility.

HB 519
INTRODUCED BILL

(2) "Postconsumer material" means a product or packaging material that has served its final intended use, that has been discarded by an individual, commercial enterprise, or other entity after having fulfilled its intended application or use, and that is usually thrown away and hauled to landfills. This term does not include wastes generated during production of an end product.

~~(2)~~(3) "Reclaimable material" means material that has useful physical or chemical properties after serving a specific purpose and that would normally be disposed of as solid waste, as defined in 75-10-203, by a consumer, processor, or manufacturer. Except for claiming a tax credit as provided in 15-32-603(1)(d), material may not be considered reclaimed by the consumer, processor, or manufacturer that generated the material.

~~(3)~~(4) "Recycled material" means a substance that is produced from ~~at least 90%~~ reclaimed material as provided in [section 2]. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 2. Recycled material qualifying for deduction -- purpose -- rulemaking.** (1) The purpose of providing a tax deduction for the purchase of recycled materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new

materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

(2) The department shall by rule adopted pursuant to 15-32-611 specify recycled material that qualifies for the deduction authorized by 15-32-610. The department shall classify qualifying recycled material into different categories based upon the reclaimed material used in producing the recycled material, the ultimate use of the recycled material produced from the reclaimed material, and the amount and type of reclaimed material the recycled material must contain. In the definition of recycled material, the department may consider the point in the manufacturing and consumption cycle from which material was reclaimed and other factors contributing to precise definitions.

(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of

recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

(4) The rules must specify the unit of measurement for classifications of recycled materials. The measurement may be based upon volume, weight, fiber content, or other applicable standard.

(5) The department shall by rule designate one or more agencies that are generally recognized in the industry to certify the contents of recycled materials.

Section 3. Section 15-32-603, MCA, is amended to read:

"15-32-603. (Temporary) Credit for investment in property used to collect or process reclaimable material or to manufacture a product from reclaimed material. (1) The following requirements must be met to be entitled to a tax credit for investment in property to collect or process reclaimable material or to manufacture a product from reclaimed material:

(a) The investment must be for depreciable property used primarily to collect or process reclaimable material or to manufacture a product from reclaimed material.

(b) (i) The taxpayer claiming a credit must be a person

who, as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that collects or processes reclaimable material or that manufactures a product from reclaimed material. For the purposes of this section, a business qualifies as a business that collects reclaimable material if it gathers reclaimable material for later sale or processing for another business that has as its primary business function the collection or processing of reclaimable material or the manufacture of a product from reclaimed material. The collection of reclaimable material may be a minor or nonprofit part of a business otherwise engaged in a retail trade or other business activity.

(ii) The taxpayer may but need not operate or conduct a business that collects or processes reclaimable material or manufactures a product from reclaimed material. If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (1)(b), and must have been collecting or processing reclaimable material or manufacturing a product from reclaimed material during the

tax year for which the credit is claimed.

(d) The reclaimed material collected, processed, or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit unless:

(i) the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and

(ii) standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

(2) A credit under this section may be claimed by a taxpayer for a business only if the qualifying property was purchased on or after January 1, 1990, but before January 1, 1996.

(3) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(4) A tax credit otherwise allowable under this section that is not used by the taxpayer in the taxable year may not be carried forward to offset a taxpayer's tax liability for any succeeding tax year.

(5) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(6) If the taxpayer is a shareholder of an electing

small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to collect or process reclaimable material or to manufacture a product from reclaimed material. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 4.** Codification instruction. [Section 2] is intended to be codified as an integral part of Title 15, chapter 32, part 6, and the provisions of Title 15, chapter 32, part 6, apply to [section 2].

NEW SECTION. **Section 5.** Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0519, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act clarifying the definition of recycled material that is eligible for a deduction from taxable income; providing that a tax credit for deductible equipment used in reclaiming material may also be claimed for reclaiming certain material generated by the taxpayer; and providing a retroactive applicability date.

ASSUMPTIONS:
1. The Department of Health and Environmental Sciences would provide any necessary technical assistance to the Department of Revenue.
2. The bill expands eligibility for the recycling credit against individual income and corporation license taxes by allowing a person generating industrial waste to reclaim that material if the person historically has disposed of the waste onsite or in a licensed landfill, and standard industrial practice has not included the reuse of the waste.

FISCAL IMPACT:

Revenues:
A minor revenue loss to the general fund. The information necessary to determine the extent of revenue loss from this provision is unavailable at this time.

Dave Lewis 2-12-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

2-13-93
BEVERLY BARNHART, PRIMARY SPONSOR DATE

Fiscal Note for HB0519, as introduced.

HB 519

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 519

INTRODUCED BY B. Barnhart, Mike Lynch, Swanson, Tom Ryan, Ed, Adam Hayes

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF RECYCLED MATERIAL THAT IS ELIGIBLE FOR A DEDUCTION FROM TAXABLE INCOME; PROVIDING THAT A TAX CREDIT FOR DEDUCTIBLE EQUIPMENT USED IN RECLAIMING MATERIAL MAY ALSO BE CLAIMED FOR RECLAIMING CERTAIN MATERIAL GENERATED BY THE TAXPAYER; AMENDING SECTIONS 15-32-601 AND 15-32-603, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

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reclaimed material eligible for additional tax deduction.

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The amounts and types of reclaimed material should follow industry standards so that industry labeling, as certified by appropriate bodies, can be used by purchasers to ensure that the products they are purchasing meet departmental deductibility definitions.

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Section 1. Section 15-32-601, MCA, is amended to read:

"15-32-601. **(Temporary) Definitions.** For the purposes of this part, unless otherwise required by the context, the following definitions apply:

(1) "Collect" means the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility.

HB 519
SECOND READING

(2) "Postconsumer material" means a product or packaging material that has served its final intended use, that has been discarded by an individual, commercial enterprise, or other entity after having fulfilled its intended application or use, and that is usually thrown away and hauled to landfills. This term does not include wastes generated during production of an end product.

~~(2)~~(3) "Reclaimable material" means material that has useful physical or chemical properties after serving a specific purpose and that would normally be disposed of as solid waste, as defined in 75-10-203, by a consumer, processor, or manufacturer. Except for claiming a tax credit as provided in 15-32-603(1)(d), material may not be considered reclaimed by the consumer, processor, or manufacturer that generated the material.

~~(3)~~(4) "Recycled material" means a substance that is produced from ~~at least 90%~~ reclaimed material as provided in [section 2]. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 2. Recycled material qualifying for deduction -- purpose -- rulemaking.** (1) The purpose of providing a tax deduction for the purchase of recycled materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new

materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

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(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of

recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

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(a) The investment must be for depreciable property used primarily to collect or process reclaimable material or to manufacture a product from reclaimed material.

(b) (i) The taxpayer claiming a credit must be a person

who, as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that collects or processes reclaimable material or that manufactures a product from reclaimed material. For the purposes of this section, a business qualifies as a business that collects reclaimable material if it gathers reclaimable material for later sale or processing for another business that has as its primary business function the collection or processing of reclaimable material or the manufacture of a product from reclaimed material. The collection of reclaimable material may be a minor or nonprofit part of a business otherwise engaged in a retail trade or other business activity.

(ii) The taxpayer may but need not operate or conduct a business that collects or processes reclaimable material or manufactures a product from reclaimed material. If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (1)(b), and must have been collecting or processing reclaimable material or manufacturing a product from reclaimed material during the

tax year for which the credit is claimed.

(d) The reclaimed material collected, processed, or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit unless:

(i) the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and

(ii) standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

(2) A credit under this section may be claimed by a taxpayer for a business only if the qualifying property was purchased on or after January 1, 1990, but before January 1, 1996.

(3) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(4) A tax credit otherwise allowable under this section that is not used by the taxpayer in the taxable year may not be carried forward to offset a taxpayer's tax liability for any succeeding tax year.

(5) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(6) If the taxpayer is a shareholder of an electing

small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to collect or process reclaimable material or to manufacture a product from reclaimed material. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 4.** Codification instruction. [Section 2] is intended to be codified as an integral part of Title 15, chapter 32, part 6, and the provisions of Title 15, chapter 32, part 6, apply to [section 2].

NEW SECTION. **Section 5.** Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1992.

-End-

House BILL NO. 519

INTRODUCED BY B Barnhart Hollyan Swanson
Vinkyon Ek Adam Hagen

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF RECYCLED MATERIAL THAT IS ELIGIBLE FOR A DEDUCTION FROM TAXABLE INCOME; PROVIDING THAT A TAX CREDIT FOR DEDUCTIBLE EQUIPMENT USED IN RECLAIMING MATERIAL MAY ALSO BE CLAIMED FOR RECLAIMING CERTAIN MATERIAL GENERATED BY THE TAXPAYER; AMENDING SECTIONS 15-32-601 AND 15-32-603, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is included in this bill because [section 2] requires rulemaking by the department of revenue. The department is to conduct rulemaking to define the recycled materials that qualify for a tax deduction under 15-32-610.

The goal of amending 15-32-601 and of adopting rules to implement the amendment is to reduce solid waste and pollution. The greater the quantity of material reclaimed, the longer landfills will last and the less pollution they will create. The best way to reduce landfill material is to reclaim postconsumer material for reuse. The rules of the department should provide for using the maximum postconsumer reclaimed material content possible when defining the

reclaimed material eligible for additional tax deduction.

It is intended that the department keep abreast of the recycling industry and try to encourage maximum use of recycled materials through the use of the tax deduction. The department should define recycled material by the amount and type of reclaimable material, as defined in 15-32-601, that it contains. The amount of material may be measured by volume, weight, fiber content, or other applicable standard. Recycled material may also be defined by the type of reclaimed material it contains, such as postconsumer, de-inked, or other applicable type.

The amounts and types of reclaimed material should follow industry standards so that industry labeling, as certified by appropriate bodies, can be used by purchasers to ensure that the products they are purchasing meet departmental deductibility definitions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-32-601, MCA, is amended to read:

"15-32-601. (Temporary) Definitions. For the purposes of this part, unless otherwise required by the context, the following definitions apply:

(1) "Collect" means the collection and delivery of reclaimable materials to a recycling or reclaimable materials processing facility.

HB 519
THIRD READING

(2) "Postconsumer material" means a product or packaging material that has served its final intended use, that has been discarded by an individual, commercial enterprise, or other entity after having fulfilled its intended application or use, and that is usually thrown away and hauled to landfills. This term does not include wastes generated during production of an end product.

~~(2)~~(3) "Reclaimable material" means material that has useful physical or chemical properties after serving a specific purpose and that would normally be disposed of as solid waste, as defined in 75-10-203, by a consumer, processor, or manufacturer. Except for claiming a tax credit as provided in 15-32-603(1)(d), material may not be considered reclaimed by the consumer, processor, or manufacturer that generated the material.

~~(3)~~(4) "Recycled material" means a substance that is produced from ~~at least 90%~~ reclaimed material as provided in [section 2]. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 2.** **Recycled material qualifying for deduction -- purpose -- rulemaking.** (1) The purpose of providing a tax deduction for the purchase of recycled materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new

materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

(2) The department shall by rule adopted pursuant to 15-32-611 specify recycled material that qualifies for the deduction authorized by 15-32-610. The department shall classify qualifying recycled material into different categories based upon the reclaimed material used in producing the recycled material, the ultimate use of the recycled material produced from the reclaimed material, and the amount and type of reclaimed material the recycled material must contain. In the definition of recycled material, the department may consider the point in the manufacturing and consumption cycle from which material was reclaimed and other factors contributing to precise definitions.

(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of

recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

(4) The rules must specify the unit of measurement for classifications of recycled materials. The measurement may be based upon volume, weight, fiber content, or other applicable standard.

(5) The department shall by rule designate one or more agencies that are generally recognized in the industry to certify the contents of recycled materials.

Section 3. Section 15-32-603, MCA, is amended to read:

"15-32-603. (Temporary) Credit for investment in property used to collect or process reclaimable material or to manufacture a product from reclaimed material. (1) The following requirements must be met to be entitled to a tax credit for investment in property to collect or process reclaimable material or to manufacture a product from reclaimed material:

(a) The investment must be for depreciable property used primarily to collect or process reclaimable material or to manufacture a product from reclaimed material.

(b) (i) The taxpayer claiming a credit must be a person

who, as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that collects or processes reclaimable material or that manufactures a product from reclaimed material. For the purposes of this section, a business qualifies as a business that collects reclaimable material if it gathers reclaimable material for later sale or processing for another business that has as its primary business function the collection or processing of reclaimable material or the manufacture of a product from reclaimed material. The collection of reclaimable material may be a minor or nonprofit part of a business otherwise engaged in a retail trade or other business activity.

(ii) The taxpayer may but need not operate or conduct a business that collects or processes reclaimable material or manufactures a product from reclaimed material. If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (1)(b), and must have been collecting or processing reclaimable material or manufacturing a product from reclaimed material during the

tax year for which the credit is claimed.

(d) The reclaimed material collected, processed, or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit unless:

(i) the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and

(ii) standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

(2) A credit under this section may be claimed by a taxpayer for a business only if the qualifying property was purchased on or after January 1, 1990, but before January 1, 1996.

(3) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(4) A tax credit otherwise allowable under this section that is not used by the taxpayer in the taxable year may not be carried forward to offset a taxpayer's tax liability for any succeeding tax year.

(5) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(6) If the taxpayer is a shareholder of an electing

small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to collect or process reclaimable material or to manufacture a product from reclaimed material. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 4.** Codification instruction. [Section 2] is intended to be codified as an integral part of Title 15, chapter 32, part 6, and the provisions of Title 15, chapter 32, part 6, apply to [section 2].

NEW SECTION. **Section 5.** Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1992.

-End-

SENATE STANDING COMMITTEE REPORT

April 2, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 519 (third reading copy -- blue), respectfully report that House Bill No. 519 be amended as follows and as so amended be concurred in.

Signed: _____
Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 9.
Following: "TAXPAYER;"
Insert: "INCREASING THE DEDUCTION ALLOWED FOR PURCHASE OF RECYCLED MATERIAL TO 10 PERCENT FROM 5 PERCENT;"
Strike: "AND"
Insert: ","
Following: "15-32-603,"
Insert: "AND 15-32-610,"

2. Page 8.
Following: line 8
Insert: "**Section 4.** Section 15-32-610, MCA, is amended to read:

"**15-32-610. (Temporary) Deduction for purchase of recycled material.** In addition to all other deductions from adjusted gross individual income allowed in computing taxable income under Title 15, chapter 30, or from gross corporate income allowed in computing net income under Title 15, chapter 31, part 1, a taxpayer may deduct an additional amount equal to ~~5%~~ 10% of the taxpayer's expenditures for the purchase of recycled material that was otherwise deductible by the taxpayer as business-related expense in Montana. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)""

Renumber: subsequent sections

-END-

SENATE
HB519

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Senator Carrying Bill

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HOUSE BILL NO. 519

INTRODUCED BY BARNHART, HALLIGAN, SWANSON, RYAN, ECK, REAM, HARPER

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEFINITION OF RECYCLED MATERIAL THAT IS ELIGIBLE FOR A DEDUCTION FROM TAXABLE INCOME; PROVIDING THAT A TAX CREDIT FOR DEDUCTIBLE EQUIPMENT USED IN RECLAIMING MATERIAL MAY ALSO BE CLAIMED FOR RECLAIMING CERTAIN MATERIAL GENERATED BY THE TAXPAYER; INCREASING THE DEDUCTION ALLOWED FOR PURCHASE OF RECYCLED MATERIAL TO 10 PERCENT FROM 5 PERCENT; AMENDING SECTIONS 15-32-601 ~~AND~~, 15-32-603, AND 15-32-610, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

STATEMENT OF INTENT

A statement of intent is included in this bill because [section 2] requires rulemaking by the department of revenue. The department is to conduct rulemaking to define the recycled materials that qualify for a tax deduction under 15-32-610.

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It is intended that the department keep abreast of the recycling industry and try to encourage maximum use of recycled materials through the use of the tax deduction. The department should define recycled material by the amount and type of reclaimable material, as defined in 15-32-601, that it contains. The amount of material may be measured by volume, weight, fiber content, or other applicable standard. Recycled material may also be defined by the type of reclaimed material it contains, such as postconsumer, de-inked, or other applicable type.

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~~(3)~~(4) "Recycled material" means a substance that is produced from ~~at least 90%~~ reclaimed material as provided in [section 2]. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 2. Recycled material qualifying for deduction -- purpose -- rulemaking.** (1) The purpose of providing a tax deduction for the purchase of recycled

materials is to encourage the use of goods made from reclaimed materials, especially postconsumer materials, and to discourage consumption of the same goods made from new materials. To achieve this goal, the definition of recycled material must be left to department of revenue expertise. Definitions cannot be legislatively enacted to achieve the purpose of this section because of rapid changes in technology, social awareness, and market economics. It is the intent of the legislature that the department revise, as often as it considers necessary to fulfill the purpose of this section, the definition of qualifying recycled material.

(2) The department shall by rule adopted pursuant to 15-32-611 specify recycled material that qualifies for the deduction authorized by 15-32-610. The department shall classify qualifying recycled material into different categories based upon the reclaimed material used in producing the recycled material, the ultimate use of the recycled material produced from the reclaimed material, and the amount and type of reclaimed material the recycled material must contain. In the definition of recycled material, the department may consider the point in the manufacturing and consumption cycle from which material was reclaimed and other factors contributing to precise definitions.

(3) In addition to the public participation provisions of Title 2, chapter 4, the department shall establish a register of interested persons and experts in the field of recycling. Prior to proposing an administrative rule, the department shall mail a notice to the interested persons of the department's contemplated actions, soliciting their views on possible solutions or courses of action. All proposed and adopted rules must also be mailed to the interested persons.

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(a) The investment must be for depreciable property

used primarily to collect or process reclaimable material or to manufacture a product from reclaimed material.

(b) (i) The taxpayer claiming a credit must be a person who, as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that collects or processes reclaimable material or that manufactures a product from reclaimed material. For the purposes of this section, a business qualifies as a business that collects reclaimable material if it gathers reclaimable material for later sale or processing for another business that has as its primary business function the collection or processing of reclaimable material or the manufacture of a product from reclaimed material. The collection of reclaimable material may be a minor or nonprofit part of a business otherwise engaged in a retail trade or other business activity.

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otherwise provided in subsection (1)(b), and must have been collecting or processing reclaimable material or manufacturing a product from reclaimed material during the tax year for which the credit is claimed.

(d) The reclaimed material collected, processed, or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit unless:

(i) the person generating the waste historically has disposed of the waste onsite or in a licensed landfill; and

(ii) standard industrial practice has not generally included the reuse of the waste in the manufacturing process.

(2) A credit under this section may be claimed by a taxpayer for a business only if the qualifying property was purchased on or after January 1, 1990, but before January 1, 1996.

(3) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(4) A tax credit otherwise allowable under this section that is not used by the taxpayer in the taxable year may not be carried forward to offset a taxpayer's tax liability for any succeeding tax year.

(5) The taxpayer's adjusted basis for determining gain

or loss may not be further decreased by any tax credits allowed under this section.

(6) If the taxpayer is a shareholder of an electing small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to collect or process reclaimable material or to manufacture a product from reclaimed material. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

SECTION 4. SECTION 15-32-610, MCA, IS AMENDED TO READ:

"15-32-610. (Temporary) Deduction for purchase of recycled material. In addition to all other deductions from adjusted gross individual income allowed in computing taxable income under Title 15, chapter 30, or from gross corporate income allowed in computing net income under Title 15, chapter 31, part 1, a taxpayer may deduct an additional amount equal to 5% 10% of the taxpayer's expenditures for the purchase of recycled material that was otherwise deductible by the taxpayer as business-related expense in Montana. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)"

NEW SECTION. **Section 5.** Codification instruction. [Section 2] is intended to be codified as an integral part

of Title 15, chapter 32, part 6, and the provisions of Title 15, chapter 32, part 6, apply to [section 2].

NEW SECTION. **Section 6.** Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1992.

-End-

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB GILBERT**, on February 16, 1993, at 8:15 a.m.

ROLL CALL

Members Present:

Rep. Bob Gilbert, Chair (R)
Rep. Mike Foster, Vice Chair (R)
Rep. Dan Harrington, Minority Vice Chair (D)
Rep. Shiell Anderson (R)
Rep. John Bohlinger (R)
Rep. Ed Dolezal (D)
Rep. Jerry Driscoll (D)
Rep. Jim Elliott (D)
Rep. Gary Feland (R)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Chase Hibbard (R)
Rep. Vern Keller (R)
Rep. Ed McCaffree (D)
Rep. Bea McCarthy (D)
Rep. Tom Nelson (R)
Rep. Scott Orr (R)
Rep. Bob Raney (D)
Rep. Bob Ream (D)
Rep. Rolph Tunby (R)

Members Excused: Rep. Chase Hibbard

Members Absent: None

Staff Present: Lee Heiman, Legislative Council
Jill Rohyans, Committee Secretary
Louise Sullivan, Transcriber

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 519, HB 523, HB 539, HB 557, HB 616
Executive Action: None

HEARING ON HB 539

Opening Statement by Sponsor:

REP. DAVE BROWN, HD 72, Butte, explained the bill based on the information contained in **EXHIBITS 1 and 2.**

Proponents' Testimony:

Bill Salisbury, Administrator, Administration Division, Department of Transportation, distributed proposed amendments. **EXHIBIT 3** He also submitted his written testimony in support of HB 539. **EXHIBIT 4**

Donna Alexander, representing the Montana Petroleum Marketers Association, said they are the distributors and wholesalers of diesel fuel in Montana. Of the 100 members in the group, 60 are licensed distributors who are responsible for collecting and remitting the motor fuel tax to the state. She said the bill would bring the diesel fuel tax in line with gasoline and would help curb the tax evasion that is going on.

Carl Schweitzer, representing the Montana Contractors Association, said he had met with **REP. BROWN** in regard to his concerns with the bill. He said those concerns have been corrected and he supports the bill.

Ben Havdahl, representing the Montana Motor Carriers Association, asked to be on record in support of HB 539 and expressed the Association's appreciation to **REP. BROWN** and the Department of Transportation for communicating with them regarding this complicated issue.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing Statement by Sponsor:

REP. BROWN closed on HB 539.

HEARING ON HB 523

Opening Statement by Sponsor:

REP. DICK KNOX, HD 29, Winifred, said the bill originated in the Legislative Auditor's office and if implemented will result in approximately $2 million a year in increased revenue to the general fund starting in FY 96. The bill reallocates PILT monies e.g., federal forest reserve monies, Taylor Grazing, fish and

wildlife, and revenue sharing monies. The largest portion, 87%, is the federal forest reserve monies. He said the bill would reallocate a portion of those funds to the schools. Those funds are currently allocated directly to the counties.

Proponents' Testimony:

Wayne Kedish, Legislative Auditor's Office, said the concept originated in a report they issued a year ago pointing out federal law allows the Legislature to decide how to distribute the forest reserve, Taylor Grazing, Bankhead Jones and refuge revenue sharing money. He said the bill basically changes the allocation so more of that money goes to schools and less to the counties. The counties will remain whole because the school funds are not deducted from the annual PILT payment. The federal PILT payment is increased to compensate, in effect, creating an increased PILT payment. He said the Auditor's office worked with the bill drafting people to make sure the bill keeps the counties whole.

Dennis Burr, representing the Montana Taxpayers' Association, stated that he understood if the state allocates money directly to schools it will increase the money allocated to counties. He said it looked like a win-win situation after the first year. The bill contains an appropriation from the general fund to the counties to make them whole, and he believed it was a reasonable thing to draw more federal money into the state.

Dave Lewis, Director, Governor's Office of Budget and Program Planning (OBPP), said the concept surfaced in Governor Racicot's amendments to the executive budget. OBPP became aware of the audit report in November when they began work on the Governor's budget. Subsequently, as they worked on the bill, they found there would be a two-year delay before there would be any net gain; therefore, they had to make some changes to the school funding proposal in HB 471. He believes it is an excellent concept and there will be no negative impact on the counties. It just changes the way the money is collected and distributed. **Mr. Lewis** referred to the long and complicated fiscal note that shows a gain in the following biennium of about $2 million.

Opponents' Testimony:

Gordon Morris, Executive Director, Montana Association of Counties (MACO), said he had worked with **Mr. Kedish** on the bill and wasn't sure if he was really an opponent or just more of a skeptic. He said the language on page 11, Section 10 is unclear and didn't think it gave any assurance that the money would be forthcoming. He said when they discussed the bill he had indicated there would have to be an initial up front reimbursement to keep FY 94 county budgets intact, otherwise there would be major damage. If the bill goes into effect, the counties would not be received until September, 1994. He thought this could be clarified to ensure that those allocations will be

received in a timely fashion. He said his recommendation would be that there would have to be a significant state contribution in September, 1993, to avoid the January shortfall in 1994, after which everything would tend to level out. PILT is one source of revenue which comes directly from the federal government to counties calculated and based upon population and acreages. MACO is attempting to get Congress to recognize that PILT revenues have not kept pace with inflation. MACO is working with Congressman Williams to increase PILT allocations. He urged caution in terms of the significance that this money represents to counties.

Blake Wordahl, Lewis and Clark County Commissioners, Helena, said he reluctantly opposed the bill. He said, although it looks good, their fiscal analyst said it would cost the county $200,000 over the next year because of the timing mechanism in the bill. Even though it would be a one-time cost, it still would be very difficult for the county to absorb. **Mr. Lewis** felt the timing of the payments had been misinterpreted by Lewis and Clark County. **Mr. Wordahl** said he would be happy to provide their analysis to the Committee and **Mr. Lewis** to find out if they were in order to determine if the timing is such that it could be rectified through technical amendments.

Noel Williams, Chairman, Board of County Commissioners, Lincoln County, Montana County Commissioners, MACO Public Lands Committee and the Commissioners Board of Directors of the Western Interstate Region, said the counties are very concerned with the potential negative impact of this bill. He said this bill significantly changes the federal revenue stream to counties This change is going to create a great deal of valid paranoia, particularly in his county which is the state's primary recipient of forest reserve funds. He said according to the figures, about 70% of the potential negative effect would be a direct impact on Lincoln County. He said if the bill guarantees a state appropriation to those counties experiencing a loss under provisions of this bill, there is no advantage. He said they didn't think they could always depend on future legislatures viewing this in the same way, and the history of reimbursement programs is not good. PILT funds are not guaranteed for infinity from the federal government. There is an annual authorization which varies from year to year. If Montana tries to increase its portion it does not automatically set up a win-win situation - it sets up a winner-loser situation, and this could cause a scramble by other states to get on the winning side. He said the County Commissioner Associations were very close to getting Congress to increase PILT monies to account for inflation, which would increase Montana's PILT money to over $10 million. He said all counties that had contacted him were opposed to this bill.

Valley County Commissioners, Glasgow, submitted written testimony in opposition to HB 523. **EXHIBIT 5**

Prairie County Commissioners, Terry, submitted written testimony in opposition to HB 523. **EXHIBIT 6**

Questions from Committee Members and Responses:

REP. ELLIOTT asked for further explanation of the revenue increase to schools and the increased PILT payments.

Mr. Kedish responded when forest reserve money comes into the state, the state distributes that to local governments and, by state law, two-thirds of that is required to go the county road department which is then subtracted from the PILT payment. The other one-third goes to schools and, because of federal law, that one-third does not have to be subtracted from the annual PILT payment. The federal government has said the amount of money in the various funds, i.e., Taylor Grazing, Bankhead Jones, etc., which the counties control, have to be subtracted. This bill basically changes that allocation so the county has discretion over only 25% of those forest reserve monies. Therefore, the revenue going to schools would not be subtracted from the PILT payment as it is discretionary money.

REP. ELLIOTT how much money the discretionary portion represents.

Mr. Kedish responded in FY 91 it was approximately $7.5 million, about $5 million to the county road fund, about $2.3 to schools. There's a limit to the amount of PILT. He said you can only subtract the amount of those payments up to the ceiling. That is the reason this bill puts $3.6 million in schools and about half of that, even after the two-year start up period, would have to be reimbursed to counties because PILT wouldn't make that up. **Mr. Kedish** said about half of the money going to schools would have to be reimbursed to counties, as the bill is written, and the other half would be made up by increased PILT payments.

REP. McCAFFREE said some counties had indicated they would have a cash flow problem.

Mr. Kedish said that was not the intention in drafting the bill. There is appropriation language in the bill which allows the State Treasurer to reimburse the counties the amount of the shortfall from the general fund. There may need to be some work on the reimbursement dates, but the intention was to draft the bill so that the counties would not have a shortfall.

REP. HARPER asked **Mr. Kedish** if the federal government might not readjust the payments if it sees states trying to use this loophole. He wondered if the state would be left in the lurch, since it will be two years before the state would realize any extra money.

Mr. Kedish said it was possible. He said we are already allocating some of this money to schools and it is not being deducted.

REP. REAM said it would be helpful to have a flow chart showing current law and the proposed bill.

Mr. Kedish said he would be happy to create such a chart.

REP. REAM said that several of the opponents had indicated there was a fixed pool, and if we draw more out of that pool other states will get less. He asked **Mr. Kedish** to respond to that statement.

Mr. Kedish said there is a pool because of the way Congress appropriates the money and if Montana got an increased allocation that would mean less to the other states.

Closing Statement of Sponsor:

REP. KNOX said when he agreed to carry the bill it was his intent that the counties be held harmless. He said he believes the language in Section 10 allows that mechanism to work. He also said he understands the concerns of the counties because the bill does change the process. He said they are just increasing the money that goes to schools and decreasing the amount that goes to roads. He said the Committee needs to work with **Mr. Kedish** to address the problems. He asked that the Committee pass the bill.

HEARING ON HB 557

Opening Statement by Sponsor:

REP. ED McCAFFREE, HD 27, Forsyth, said the bill exempts the mills authorized by the County Commissioners for the Extension Service and the 4-H programs from the provisions of I-105. He said he felt strongly enough about the 4-H program in his county to carry the bill.

Proponents' Testimony:

Blake Wordahl, Lewis and Clark County Commission, said Lewis and Clark County has a very rich agricultural history and the Extension Service is a very important program in the county. But, as a County Commissioner he has to look at the money available under the restrictions of I-105, and make decisions on a variety of non-mandated programs such as 24-hour law enforcement, the D.A.R.E. program, county roads and the Extension Service. The competing demands for county funds make for tough decisions. He asked the Committee to pass the bill and remove these programs from the restrictions of I-105. He said he would like to see everything removed from the provisions of I-105 because they need the flexibility to fund county services. He stated I-105 is not good for local government, but he said he also understands the problems the Legislature is facing.

Paula Grossman, President of the 4-H Leaders Council in Lewis and Clark County, spoke in support of the bill. She explained the 4-H program in Lewis and Clark County and said they cannot afford to lose the extension office.

Lowell Bartels, spoke in favor of HB 557 and said we need to protect the county extension services. The Lewis and Clark County Extension Agent has helped keep 22 handicapped individuals employed at the Farm in the Dell in Helena. A similar project is being initiated in Kalispell. He said we need these people in the communities for their leadership and help in teaching and training.

Cindy Tusler, said she was a 10-year 4-H member and spoke in support of HB 557. She said she was representing approximately 10,000 4-H members throughout the state, and without the Extension Service the 4,000 volunteer leaders wouldn't have the direction and organization they need. She said the extension office is a communication link for 4-H leaders and members.

Richard Saravalli, former supervisor at Farm in the Dell in Helena and currently Vocational Rehabilitation Services Coordinator at West Mont, spoke in support of HB 557. He said without the resources of the extension office they would not have seen the growth at the Farm project nor could they have provided the agricultural employment such as at the Farm. He urged the Committee to support the bill.

Deborah Schlessinger, representing the Montana Library Association, appeared in support of the bill and urged the committee to exempt county extension agents, libraries and the rest of local government from I-105. She said they hoped the Committee would support the bill.

Cary Grossman, Lewis and Clark County, spoke in support of the bill.

Tony Novak, rancher in Lewis and Clark County, said the MSU extension service is an important link to Montana State University when he has agricultural problems.

Barry Gilbert, 4-H member, spoke in favor of HB 557 because it would provide the needed financing to support extension services across the state.

Andrea Pagenkopf, Interim Director of Extension at MSU, appeared in support of HB 557. She said in the last year they had three county extension offices in jeopardy and had to come up for emergency mill levies, which passed. She expressed slight concern with the wording of the bill, which she had discussed with **REP. McCAFFREE**. The bill requires county extension offices

to maintain their financial contribution to the counties. She said they realize the field people are their link to counties and they do not want to weaken that. She said another Committee had cut their budget by 5% and this bill further restricts their budgeting capabilities.

Clark Pyfer, Lewis and Clark County resident, said he had been working with the extension agent on the weed problems in the county, and found Larry Hoffman to be truly cooperative and dedicated to his job. The extension agent has been using some grant monies to fund a facilitator for weed volunteers in order to impact the noxious weed problem in this part of the state. He asked the Committee to pass the bill.

Opponents' Testimony:

Gordon Morris, Executive Director, Montana Association of Counties (MACO), said MACO has consistently opposed any I-105 repealers. He said he also appeared for **Linda Stohl-Anderson, Lewis and Clark County Commissioner.**

Tom Hopgood, representing the Montana Association of Realtors, said he would like to be speaking as a proponent, but found it appalling that comments were made to repeal I-105 in its entirety. The people of Montana passed I-105 and as a result, it is the state policy that no further property tax increases be imposed on property in Classes 3, 4, 6, 9, 12 and 14. The people have said they don't want their taxes raised for any reason, including extension services or 4-H. He stated until there is true tax reform in Montana the Association is unable to support any of these bills. He asked the Committee to give HB 557 a do not pass recommendation.

Questions From Committee Members and Responses:

REP. REAM asked for an explanation of the funding mechanism for extension services.

Ms. Pagenkopf said 65% of the salary of a county extension agent is paid by the county, the remainder and benefits are paid by the state. The office operational expenses are paid by the county.

Closing Statement by Sponsor:

REP. McCAFFREE closed his presentation saying he feels this is an education bill for rural as well as city kids. In 1991 the promoters of I-105 went to MACO and said they realized I-105 was not working as the counties could no longer provide needed services. He said of all the programs the counties fund, he had never received a complaint about funding the 4-H programs. He stated this is not just a rural bill, it is a statewide program. He asked the Committee to pass the bill.

HEARING ON HB 616

Opening Statement by Sponsor:

REP. JERRY DRISCOLL, HD 92, Billings, said HB 616 is one of the first bills to implement the Clean Coal Technology Demonstration Project that was enacted last session. The Clean Coal Demonstration Fund within the Coal Severance Tax Trust Fund presently has a balance of $35 million. This bill asks for a loan of $25 million of that money. It would not affect the bonding capacity of the state. He explained the MHD (magnetohydrodynamics) project operations in Billings. He also explained the proposed amendments which he distributed. **EXHIBITS 7**

REP. DRISCOLL said federal and state governments are trying to develop cleaner burning coal and less pollution. Coal would be separated according to content of pollutants. The cleaner coal would be burned at the Corette Plant and the rest would be at the MHD plant because of the burning process at that plant. He said the plant would not only provide jobs, but would also lower pollution in the Yellowstone Valley by approximately a 17% reduction in SO_2 emissions, and would produce needed electricity for the state and the northwest area. It is a demonstration project and with the amendments being offered it must be able to repay the loan whether or not the MHD demonstration works. This research has been ongoing in Butte for years, and it is now at a point where they can commercialize and make it work on a large scale basis. It would be the first MHD project in the U.S. and he said he could envision a lot of engineers coming to see how it works. Taiwan is very interested because of their pollution problems. He said there would not only be an impact from their spending money in the state, but they would also then have to purchase the technology. That money would be repaid as this is only a request for a loan.

Proponents' Testimony:

REP. JOE QUILICI, HD 71, Butte, said he was in totally supports HB 616. He said over the years the Legislature has put a lot of money into the MHD project and now we will start realizing some of the return on the money. This will generate 100 megawatts (MW) which will be sold to pay off bonds. He asked the Committee to pass the legislation.

SEN. GARY FORRESTER, SD 49, Billings, supported HB 616 and said the MHD project puts Montana on the cutting edge of high technology. He said the most important fact is MHD allows much cleaner coal burning while it generates electricity which can

then be sold. He believed the clean air was the most important part of the bill. He urged support of the bill.

Steve Huntington, representing the MHD Development Corporation, reviewed the Clean Coal Technology Demonstration Program. **Mr. Huntington** said the first significant clean coal bill, HB 701, was passed last session which gave DNRC the very specific direction to seek out, evaluate, and submit to the Legislature for potential funding, a legitimate quality, clean coal technology demonstration project. A fund was created within the Coal Severance Tax Trust Fund, initially established with $25 million with an additional $5 million per year went into the fund for the following five years. Last session that money all stayed within the Trust Fund, with a portion designated as the clean Coal Technology Demonstration Account. The bill also specified that MHD was eligible to receive a clean coal technology development loan. That loan was approved by the legislative session.

Mr. Huntington said HB 616, as amended, is the result of a great deal of work between MHD Development Corporation and DNRC. He discussed the amendments prepared by the Legislative Council. He said the corporation has accomplished a number of things. It has filed for an application through the Department of Energy for clean coal funding in the amount of $221 million. They also put together a financial package that has attracted the interest of private lenders and investors for the project, making the total funding package worth over $521 million. He said if MHD does not work, they have a cycle at the plant that would pay back the creditors. Over $300 million of the $521 million will be spent in Montana. There should be in the neighborhood of 250-300 construction jobs associated with the project, and there should be 30-50 full-time operators on the project when it is up and running. He said the bill passed last session required MHD Development Corporation to match any state funds on at least a 4-1 basis. This bill produces a matching amount or a ratio of 25-1. Montana is a leader in this kind of technology development and there would be a significant potential for jobs and economic development.

Mr. Huntington said the bill contains solid payback provisions. There are three funding sources: 1) If this technology is successful, and is licensed for further plant applications, the state will receive payback from that source. 2) If equipment is sold to the new plant as a result of the successful demonstration, the state would receive payback from that source. 3) Most importantly, the state would receive payback from the sale of electricity. The loan would be established on a 25-year basis and the state would have a security position to be paid back between 17 and 25 years, or sooner, depending upon the price of electricity and the price of construction of the plant.

John Tubbs, Chief of the Resource Development Bureau, Department of Natural Resources and Conservation (DNRC), said the Bureau was given the responsibility of administering the demonstration program. The Billings MHD project will cost $520 million, and the state is being asked to contribute a $25 million loan, along with $28.4 million in tax credit. The MHD Corporation will contribute $245.8 million and the Department of Energy (DOE) will contribute another $220.7 million.

REP. FOSTER asked to **Mr. Tubbs** furnish a written technical explanation of the bill prior to executive action.

Bob LaBrie, President, MHD Development Corporation, Billings, distributed the Project Overview of the MHD Demonstration Project. **EXHIBIT 8**

Ken Heikes, representing the Mayor of Billings, City Council, City Administrator, the County Commissioners, the Billings Area Chamber of Commerce and the Montana Trade Port Authority, said the city and county have been involved in providing information for permits, licenses, and other pertinent data, and are very supportive of this proposed legislation. He said they also support the amendments as offered and urged a do pass on HB 616.

REP. JOHN BOHLINGER, HD 94, Billings, supported HB 616 which is a loan agreement to provide for the utilization of the huge energy source in eastern Montana. He said he supported the bill for four reasons: 1) economic development, 2) creation of temporary and permanent employment, 3) it is environmentally sound, and 4) it is a secure investment because the loan will be repaid through the sale of electricity generated and the sale of technology. He urged a do pass recommendation.

David Owen, representing the Montana Chamber of Commerce, appeared in support of HB 616 and urged the Committee to pass the bill.

Elbert "Butch" Ott, President/CEO, Billings Area Chamber of Commerce, submitted a letter in support of HB 616. **EXHIBIT 9**

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. FOSTER asked if the 260 MW generating capacity of the MHD plant would make it the largest producer in the system.

Mr. LaBrie said Colstrip I generates 350 MW.

REP. FOSTER asked if newly generated 100 MW would be put into Montana Power Company's purchase supply.

Mr. LaBrie said they anticipated selling the power as an independent power producer by marketing it in the Pacific Northwest. He hoped they could sell some to Montana Power, but also to Bonneville Power, Washington Water Power and other companies. These would be long term contracts.

REP. McCAFFREE asked **REP. DRISCOLL** if he would explain the $28 million in tax credits?

REP. DRISCOLL said when they passed the Clean Coal Technology Demonstration Project last session it stated there would be no property tax on the parts of the plant that are strictly clean coal.

Closing Statement by Sponsor:

REP. DRISCOLL said with the amendments offered, the bill would probably be about half the size, and didn't believe they would have any problem meeting the requirements of the Major Facility Siting Act. This will clean the air, produce electricity, and burn Montana coal much cleaner. He said he hoped the amendments would be accepted and urged a do pass on the bill.

HEARING ON HB 519

Opening Statement by Sponsor:

REP. BEVERLY BARNHART, HD 80, Bozeman, said the bill clarifies the definition of material eligible for a deduction from taxable income and provides a tax credit for deductible equipment used in reclaiming material. The tax credit may also be claimed for reclaiming certain material generated by the taxpayer. The goal of the bill is to reduce solid waste.

Rick Meis, owner of Treecycle, Bozeman, submitted written testimony. **EXHIBITS 10, 10a, 10b, 10c, and 10d**

Ann Marie Gritzuk, leader of the Business Development Team in the Energy Division, Department of Natural Resources and Conservation, said this team is about a year old and most of their business development is in the area of waste utilization, both for energy conservation and the opportunity to help the environment. She spoke in support of the proposed changes on page 7 of the bill and asked that the amendments be adopted. She listed some of the industries that may be able to benefit from their assistance, i.e., pelletizing wood waste. She asked for the Committee's support of HB 519.

David Owen, representing the Montana Chamber of Commerce, said this kind of encouragement can be offered without increasing the budget problems.

Helen Taffs, Legislative Intern for the Montana Society of Certified Public Accountants (MSCPA), said the MSCPA supports HB 519 because they work with tax laws and it is important these laws are clear. They also support some fair non-special interest tax breaks to make the business climate more friendly. This would encourage the responsible use of paper in a paper-intensive industry such as the MSCPA. She asked the committee to pass the bill.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing Statement by Sponsor:

REP. BARNHART said the Committee may want to consider increasing the tax from 5% to 10%; however, she had not included it in the bill.

ADJOURNMENT

Adjournment: The meeting adjourned at 10:50 a.m.

Mike Foster, Vice-Chairman
REP. BOB GILBERT, Chair

Jill Rohyans
JILL ROHYANS, Secretary

These minutes were written by Louise Sullivan and proofed for content by Jill Rohyans.

BG/jdr/ls

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 2/16/93

NAME	PRESENT	ABSENT	EXCUSED
REP. GILBERT, CHAIRMAN	✓		
REP. FOSTER	✓		
REP. HARRINGTON	✓		
REP. ANDERSON	✓		
REP. BOHLINGER	✓		
REP. DOLEZAL	✓		
REP. DRISCOLL	✓		
REP. ELLIOTT	✓		
REP. FELAND	✓		
REP. HANSON	✓		
REP. HARPER	✓		
REP. HIBBARD			✓
REP. KELLER	✓		
REP. McCAFFREE	✓		
REP. McCARTHY	✓		
REP. NELSON	✓		
REP. ORR	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. TUNBY	✓		

EXHIBIT 1
DATE 2/16/93
HB 539

CHANGES TO THE DIESEL STATUTE

15-70-301 Section 1 (Definitions)
These additions and deletions to the definition section provide the mechanism to tax diesel fuel in the same manner the State taxes gasoline.

"Agricultural Use" this definition is for the refund provision under section 38, which allows for 60% as an estimation for agricultural use.

"Bulk delivery" this definition is for the distributor's exempt sales under section 26 and the refund provision under sections 38 and 40.

"Distributed", "distributor", "export", "exporter", "import", and "importer" these terms need to be defined for the mechanism to tax diesel at the distributor level.

The following sections were **changed** to delete the information pertaining to the special fuel dealer, since the dealer is not responsible to pay the state the tax.

- section 2, section 3, section 4, section 5, section 6, section 7, section 11, section 13, section 14, section 15, section 16, section 17, section 18, section 19, section 20, section 21, section 22, section 23.
- repealing 15-70-316 and 15-70-322

The following sections were **added** to allow for the mechanism to tax diesel fuel at the distributor level. These sections were patterned after the "basic gasoline license tax".

- Section 24 through section 42

EXHIBIT #1
DATE 2-16-93
HB-539

15-70-302 Section 2 and Section 9

Changing the reference from "Checking Station Office" to "Motor Carrier Services Division" is a housekeeping measure that ensures compliance with the creation of the Montana Department of Transportation effective July 1, 1991.

15-70-302 Section 2, part (3)

Deletes part three. The State exempts all vehicles under 26,001 regardless of use as long as all fuel is purchased tax paid. If fuel is purchased ex-tax, as provided in section 26, users operating vehicles under 26,000 pounds are required in section 6 to purchase a permit depending on the weight of the vehicle.

15-70-302 Section 2, part (5)

Deletes b, c, and d. These parts are redundant since one of the IRP requirements states a carrier must be also an IFTA user.

15-70-302 Section 2, part (6)

Deleted predominantly for agricultural use since all vehicles under 26,001 pounds gross vehicle weights are exempt from licensing and reporting except if purchasing ex-tax fuel, as provided in section 26.

15-70-304 Section 4, part (1)

Deleted the part waiving the bond requirements of a contractor if the contractor posts a performance bond. Performance bonds currently are not written to include fuel taxes.

15-70-305 Section 5, part (3)

This provision was added to require users, who surrender a license or who have their license revoked by the state, to pay $100.00 reissue fee. The fee helps defray the cost of licensing and gives an incentive to the user to keep their account current to avoid revocation.

15-70-309 Section 8
This section is amended to provide a permit fee for vehicles under 26,001 pounds gross vehicle weight that receive ex-tax fuel.

15-70-311 Section 9
Since all vehicles under 26,001 pounds gross vehicle weight are exempt the trip permit is necessary for vehicles over 26,000 pounds gross vehicle weight that are traveling without a special fuel user's vehicle permit.

15-70-312 Section 10
To clarify not only vehicles hauling produce but all vehicles hauling commodities.

15-70-315 Section 11
This provides the tracking system for non-taxed diesel fuel.

15-70-329 Section 19
This was added to allow a statute of limitation for payment of credit. Senate Bill 126 also address this.

Repeal

Section 15-70-316 Cardtrol statement on pumps.
This notice is not necessary for the pumps since all fuel is taxable unless qualifies under section 26.

Section 15-70-322 Reference to the tax on diesel at the pumps.
The special fuel dealer is not required to pay the tax.

Remains without change

Section 15-70-308 Temporary Cash Compliance Bond.
This is needed for vehicles over 26,001 gross vehicle weight traveling without a special fuel user's vehicle permit.

EXHIBIT #1
DATE 2-16-93
HB-539

Section 15-70-313 Department to Furnish Forms. This allows the department to design forms for the temporary permits.

Section 15-70-314 Penalty for operation without temporary permit - compliance bond - policy continue.

This is necessary for temporary permits.

Reserved

- 15-70-310
- 15-70-317 through 15-70-320

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EXHIBIT 2
DATE 2/16/93
HB 539

Presently Montana does not have full accountability of diesel fuel within the state. The purpose of this bill is to obtain full accountability of diesel fuel and eliminate the licensing and reporting requirements for users who operate vehicles under 26,001 pounds gross vehicle weight and not purchasing diesel fuel ex-tax. The following is a list of diesel users and how the proposed diesel bill will affect them:

■ AGRICULTURAL

CURRENT STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES: Currently the agricultural user can purchase any amount of bulk diesel fuel without paying tax. Agricultural users fueling on-highway vehicles out of bulk storage must keep a complete dispersal record on all diesel fuel withdrawn from bulk storage. The users report the usage to the department quarterly.

Agricultural users who own only cars or pickups under 10,000 pounds gross vehicle weight and elect to fuel the vehicles out of tax-free bulk diesel may opt to purchase a special authorization permit each year for $120 per vehicle. The permit releases the user from keeping a complete dispersal record of all the diesel fuel withdrawn from storage.

Agricultural users operating vehicles both under and over 10,000 pounds gross vehicle weight can purchase a permit for vehicles under 10,000 pounds, but must keep a complete dispersal record of the fuel for vehicles over 10,000 pounds.

The agricultural user only fueling off-highway vehicles from bulk diesel storage is not required to keep a dispersal record or report the diesel usage to the department.

■ AGRICULTURAL

PROPOSED STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES:
The agricultural user can purchase bulk diesel fuel in quantities of 200 gallons or more and not pay the tax. Agricultural users who fuel on-highway vehicles from bulk diesel storage must keep a complete dispersal record on all diesel fuel withdrawn from storage. Users report the usage to the department quarterly.

Agricultural users who own vehicles under 26,001 pounds gross vehicle weight and fueling out of ex-tax diesel bulk must purchase a special authorization permit which eliminates the record keeping for those vehicles.

Agricultural users who operate vehicles both under and over 26,000 pounds gross vehicle weight and fueling out of ex-tax diesel bulk must purchase a permit for the vehicles under 26,001 pounds, keep track of the vehicle's mileage and maintain a complete dispersal record of all fuel used in vehicles over 26,000 pounds. Users must report usage to the department quarterly.

The agricultural user only fueling off-highway vehicles from bulk diesel storage is not required to keep a dispersal record or report the diesel usage to the department.

All bulk diesel fuel purchases less than 200 gallons must be purchased tax-paid. The tax may be eligible for refund if the fuel was used off-highway.

■ MOTOR CARRIERS (TRUCKING)

CURRENT STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES:
Currently the trucking industry can purchase bulk quantities of diesel fuel without paying the tax. Carriers who fuel on-highway vehicles from bulk storage must keep a complete

dispersal record on all diesel fuel withdrawn from storage. Carriers report the usage to the department quarterly.

Carriers who purchase tax-paid diesel fuel through retail outlets also must report all diesel fuel purchased and miles traveled to the department quarterly.

■ **MOTOR CARRIERS (TRUCKING)**

PROPOSED STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES: The trucking industry can purchase bulk diesel fuel in quantities of 200 gallons or more and not pay the tax. Carriers who fuel on-highway vehicles from bulk diesel storage must keep a complete dispersal record on all diesel fuel withdrawn from storage. Carriers report the usage to the department quarterly.

Carriers who own vehicles under 26,001 pounds gross vehicle weight must purchase a special authorization permit which would eliminate the record keeping.

Carriers who operate vehicles both under and over 26,000 pounds gross vehicle weight must purchase a permit for the vehicles under 26,001 pounds, keep track of the vehicle's mileage, and maintain a complete dispersal record of all fuel used in vehicles over 26,000 pounds. Carriers report usage to the department quarterly.

If trucking companies only purchase tax-paid diesel fuel through retail outlets, the carrier still must report all fuel purchased and miles traveled to the department quarterly.

Carriers must pay tax on any bulk diesel purchases in quantities less than 200 gallons. The tax may be eligible for refund if the fuel is used off-highway or out-of-state.

■ **CONTRACTORS, LOGGERS, MINERS, RAILROAD**

CURRENT STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES:

Currently contractors, loggers, miners and railroad can purchase any amount of bulk diesel fuel without paying the tax. These users must keep a complete dispersal record on all diesel fuel withdrawn from storage and report all usage to the department quarterly.

If these industries only fuel off-highway vehicles from bulk diesel storage, they are not required to keep a dispersal record or report the usage to the department. **However, contractors, who fuel any vehicle in conjunction with a highway project, must report all fuel consumed to the department. All fuel affiliated with highway projects is taxable.**

■ **CONTRACTORS, LOGGERS, MINERS, RAILROAD**

PROPOSED STATUTE REQUIREMENTS FOR ON-HIGHWAY VEHICLES:

Contractors, loggers, miners and railroad can purchase bulk diesel fuel in quantities of 200 gallons or more and not pay the tax.

The industries who fuel on-highway vehicles from bulk diesel storage must keep a complete dispersal record on all diesel fuel withdrawn from storage. Industries report the usage to the department quarterly.

The industries that own vehicles under 26,001 pounds gross vehicle weight must purchase a special authorization permit which eliminates the record keeping.

The industries that operate vehicles both under and over 26,000 pounds gross vehicle weight must purchase a permit for the vehicles under 26,001 pounds, keep track of the

vehicle's mileage, and report all fuel used in vehicles over 26,000 pounds. Industries report usage to the department quarterly.

If industries purchase bulk diesel fuel in quantities less than 200 gallons, they must pay the tax. Users may file for a refund of the tax if the fuel was used off-highway.

If industries only fuel off-highway vehicles from bulk diesel storage, they are not required to keep a dispersal record or report the usage to the department. The only **exception is for contractors who consume bulk diesel fuel in conjunction with a highway project. All diesel fuel consumed on highway projects is taxable.**

■ SPECIAL FUEL DEALER

CURRENT STATUTE REQUIREMENT FOR DEALERS:

Currently special fuel dealers must keep inventory records on all fuel received. The dealer files a monthly report which indicates the amount of tax due through retail sales of diesel.

■ SPECIAL FUEL DEALER

PROPOSED STATUTE REQUIREMENTS FOR DEALERS: Special fuel dealers will not be required to report retail sales and remit payment to the department. The special fuel dealer will pay the tax to the supplier of diesel fuel at the time of delivery.

■ PETROLEUM INDUSTRY

CURRENT STATUTE REQUIREMENTS FOR THE DISTRIBUTOR: Currently diesel distributors are not required to keep track of or report diesel sales to the department.

EXHIBIT #2
DATE 2-16-93
HB-539

■ **PETROLEUM INDUSTRY**

PROPOSED STATUTE REQUIREMENTS FOR THE DISTRIBUTOR:

Diesel distributors must keep track of and report all diesel sales off the terminal to the department.

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EXHIBIT 3
DATE 2/16/93
HB 539

February 16, 1993

Subject: Amendments to House Bill 539

Submitted by: William Salisbury, Administrator
Administration Division
Department of Transportation

Montana Department of Transportation amendments to House Bill 539 are as follows:

(1) INSERT

1. P.2, line 13 following: "fuel"
insert: "not intended for resale"

2. P. 33, line 9 following: "more"
insert: "not intended for resale"

EXHIBIT 4
DATE 2/16/93
HB 539

Date: February 16, 1993

House Bill 539

SUBMITTED BY: WILLIAM SALISBURY, ADMINISTRATOR
ADMINISTRATION DIVISION
MONTANA DEPARTMENT OF TRANSPORTATION

"AN ACT TO IMPOSE THE COLLECTION OF SPECIAL FUEL TAXATION AT THE DISTRIBUTOR LEVEL RATHER THAN THE RETAIL LEVEL."

Elevates the point of taxation on special fuel from the retail level to the distributor level effective January 1, 1994, to provide a tracking system to determine diesel fuel movement and usage within the State, substantially decrease the potential for tax evasion and fraud and to accelerate the tax collection process.

The Montana Department of Transportation appears before this committee to offer our support for House Bill 539.

The current method of retail level taxation allows anyone to purchase bulk deliveries of diesel fuel tax-free. The purchaser simply can claim the bulk purchase for off-highway use and then use the same fuel in on-highway vehicles.

If the tax is collected at the distributor level, retailers will be required to sell most diesel fuel with the tax included. The only entities who could purchase exempted fuel from retailers would be the following:

- United States government, State of Montana, any other state, county, incorporated city, town, and school district of this state;
- users who buy fuel in bulk delivery quantities of 200 gallons or more not intended for resale;
- for export, unless the distributor is not licensed and is not paying the tax to the state where the fuel is destined.

All other users who purchase diesel fuel for off-highway use will be required to prove off-highway use before they're eligible for a tax refund. This is the same process required in gasoline refund. Proving eligibility for refunds will increase accountability for the state and decrease the opportunity for tax evasion and fraud.

Ideally, the Department of Transportation wants to manage diesel fuel taxation just as gasoline taxation -- which does not allow exemptions. Raising special fuel taxation to the distributor level would provide an avenue for tracking diesel fuel movement and usage within the state.

Finally, collecting the tax as it is distributed, rather than as it is used, would enhance the Department of Transportation's cash flow and the associated interest earnings to the General Fund.

The Montana Department of Transportation urges this committee to give this proposal a do-pass recommendation.

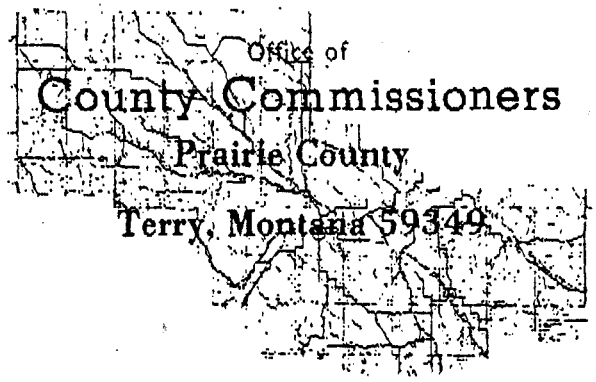


EXHIBIT 5
DATE 2/16/93
HB 523

February 16, 1993

TO: HOUSE TAXATION COMMITTEE

FROM: PRAIRIE COUNTY COMMISSIONERS

RE: HB 523

The Prairie County Board of Commissioners would like to go on record against House Bill 523 sponsored by Representative Dick Knox, for the following reasons:

1. Prairie County currently receives approximately $50,000 in Bankhead Jones land payments. These dollars are used for road maintenance and represents 13 mills of a total of 19 mills levied for the Road Fund. I-105 would prevent us from making these mills up.
2. Prairie County would stand to lose a minimum of $12,000 in Federal funds, best scenerio, (assuming we would receive our maximum in PILT payments of $69150) **OR**, worst scenerio, could stand to lose $38300 if maximum PILT payments were not appropriated. Would State General Fund make up this amount every year
3. It is in the best interest of Prairie County taxpayers to use the Bankhead Jones payment to lower the levied amount for the Road Fund, rather than to allocate it to the School District.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Lee Chapman, Chairman

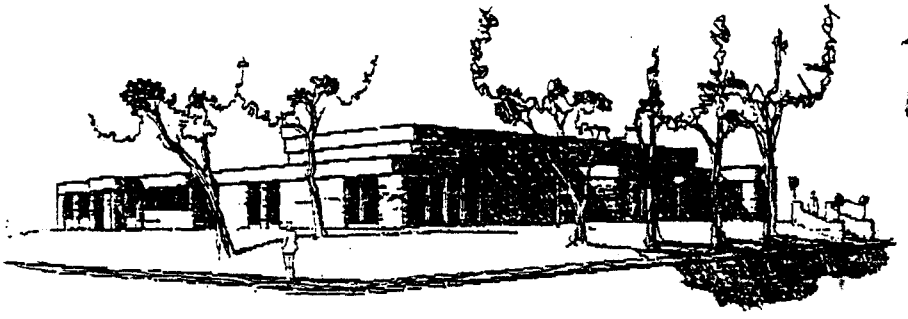
Isidor Sackman

Clifford H. Neiffer

PCC:lk
cc: MACO

PRAIRIE COUNTY 14066375576 P.01

EXHIBIT 6
2/11/93
HB 523



Valley County

501 Court Square
Glasgow, Montana 59230
Phone: (406) 228-8221
FAX: (406) 228-9027

MEMO

TO: BOB GILBERT, CHAIRMAN
HOUSE TAXATION COMMITTEE

FROM: VALLEY COUNTY COMMISSIONERS

DATE: FEBRUARY 11, 1993

RE: HOUSE BILL 523

Valley County received $55,373.92 for one year as follows:

Taylor Grazing.....	$18,493.40
Wildlife Refuge.....	4,277.00
Bankhead-Jones.....	32,603.52

If these funds were cut off by HB 523, it would result in a substantial loss to the County and have a negative impact on our funds and our taxpayers.

Therefore, we want to go on record as being opposed to HB 523.

cc: Gordon Morris, MACo

EXHIBIT
DATE 2/16/93
HB 616

Amendments to House Bill No. 616
First Reading Copy

Requested by Representative Driscoll
For the Committee on Taxation

Prepared by Greg Petesch
February 15, 1993

1. Page 1, line 24 through page 2, line 9.
Following: "million" on page 1, line 24
Strike: remainder of line 24 through "bill" on page 2, line 9

2. Page 2, line 20.
Following: "."
Insert: "The methods described in the clean coal V application for production of electric power provide for a process that will operate with or without the successful demonstration of the MHD technology."

3. Page 3, lines 8 and 9.
Following: "means" on line 8
Strike: remainder of line 8 through "and" on line 9
Insert: "a consortium of private companies"

4. Page 4, line 1.
Strike: "any"

5. Page 4, lines 2 and 3.
Strike: "interest" on line 2
Insert: "interests"
Following: "technology" on line 2
Strike: remainder of line 2 through "possessed" on line 3

6. Page 5, line 24.
Strike: "award"
Insert: "selection"

7. Page 6, line 1.
Strike: "at least $100 million"
Insert: "an award"

8. Page 6, line 22.
Following: "accrue"
Insert: "and be capitalized"
Following: "to"
Insert: "taxable"

9. Page 7, line 8.
Strike: "0.05%"
Insert: "0.5%"

10. Page 7, lines 10 through 13.
Following: "(b)" on line 10
Strike: remainder of line 10 through "the" on line 13
Insert: "(i) The"

11. Page 7, lines 13 through 15.
Following: "shall" on line 13
Strike: remainder of line 13 through "taxes," on line 15

12. Page 7, line 17.
Following: "power"
Insert: "upon the occurrence of the first of the following:
(A) the beginning of the 17th year after the loan agreement is signed by the parties;
(B) repayment obligations to senior debt creditors have been satisfied; or
(C) changes in the price of electricity sold as a result of project operations, changes in expenses paid as a result of project operations, or changes in other financial factors cause net cash flow to be greater than that projected to be available after making periodic payments to senior debt creditors and the appropriate allowance for taxes"
Following: "."
Insert: "(ii)"
Following: "made"
Insert: ", when there is sufficient cash flow available after the appropriate allowance for the payment of taxes,"

13. Page 8, line 5.
Strike: "If"
Insert: "Except as provided in subsection (10), if"

14. Page 8, line 14.
Following: "be"
Insert: "first"

15. Page 8, line 15.
Following: "loan"
Insert: ", then to any interest accumulated on the principal"

16. Page 10, line 6.
Strike: "all"

17. Page 10, line 14.
Following: the second "project"
Insert: "and to meet its repayment obligations to creditors"

18. Page 10, line 25 through page 11, line 1.
Following: "obligations" on page 10, line 25
Strike: remainder of page 10, line 25 through "of" on page 11, line 1
Insert: "extend beyond"

#7
DATE 2-16-93
HB-616

19. Page 11, line 7.
Strike: "disbursement"
Insert: "semiannual"
Strike: "semiannual"

20. Page 11, lines 15 and 16.
Following: "to" on line 15
Strike: "the same"
Following: "requirements" on line 15
Strike: remainder of line 15 through "applicable to" on line 16
Insert: "established by the department. The requirements may not be less than those imposed upon"

21. Page 11, line 23.
Following: "transaction"
Insert: "or the absence of any transaction"

22. Page 12, line 23.
Strike: "and the MHD development corporation"

MHD Development Corporation

PROJECT OVERVIEW

EXHIBIT 9
DATE 3/16/97
HB 616

Billings Magnetohydrodynamic Demonstration Project

☐ OVERVIEW

The Billings Magnetohydrodynamic (MHD) Demonstration Project (BMDP) will be the world's first demonstration of the fully-integrated operation of an MHD plant at the 100-MW_e scale. The plant will be located in Billings, Montana, at The Montana Power Company's J. E. Corette Plant site. This project, being pursued by the MHD Development Corporation (MDC), is the next critical step for providing data to scale up MHD to commercial size.

The project will be constructed, operated, and owned by MDC. Babcock & Wilcox, Gilbert Commonwealth, MSE, Textron Defense Systems, The Montana Power Company, TRW, University of Tennessee Space Institute, and Westinghouse are the major team members. Participation Agreements with EPRI and electric utility company supporters will be established.

After three years of demonstration operation, the project will be operated as an independent power project. The revenue from electric power sales will be used to amortize bonds and cover the ownership risk.

A request for $220 million in funding support has been made to the Department of Energy (DOE) through its Clean Coal V Program. Upon selection by DOE, the State of Montana will provide a $25 million loan, and additional project financing will be provided through equity participation and bank loans. The Bank of America is the financial advisor for this project.

☐ MHD BACKGROUND

Magnetohydrodynamics (MHD) provides the highest potential efficiency and best total environmental performance of any coal-burning technology being developed today. The United States and the world will need this new technology to provide the most efficient coal-fired electrical power generation alternative. DOE's MHD proof-of-concept program is nearing completion, and the next phase of development is required to advance the technology to commercialization. The Program Opportunity Notice for DOE's Clean Coal V solicited proposals for the demonstration of coal-using technologies that will "advance significantly the efficiency and environmental performance."

☐ BILLINGS MHD DEMONSTRATION PROJECT STATUS

The MHD Development Corporation has submitted a proposal in response to DOE's Clean Coal V solicitation for proposals to build the BMDP, an MHD commercial demonstration to be collocated at The Montana Power Company's J. E. Corette Plant site in Billings, Monatana.

☐ PROJECT PARTICIPANTS

This project is being sponsored by MDC, which was formed in 1985 to promote and coordinate the commercialization of MHD. Since an MHD plant is essentially two complete power systems and not a single component, it requires a broad technological base. No single equipment supplier has the technical depth or variety of commercial products to supply the entire facility. Thus, this consortium blends the traditional power industry, regional expertise, and specialty organizations needed to develop this energy efficient technology. The Montana Power Company (host utility and site owner) and Gilbert Commonwealth (project architect and engineer) represent the traditional electric industry to ensure that MHD will be scalable and transferrable to the evolving utility industry. MSE

(operating contractor for DOE's MHD test facility in Butte, Montana) will be the demonstration plant operator. TRW will provide the coal combustor and seed regeneration plant. Textron Defense Systems will supply the channel, Babcock & Wilcox will provide the superconducting magnet, and Westinghouse will supply the power conditioning system. The University of Tennessee Space Institute will prepare the conceptual design of the heat recovery and seed recovery sections of the plant. By the end of DOE's proof-of-concept program (presently scheduled for completion in the next 12 months), all MHD hardware will have been proven through extensive testing. Data is now being collected on prototypic commercial hardware.

☐ PLANT DESCRIPTION

The design for the BMDP is based on the Corette MHD Retrofit Conceptual Design and a previous MHD utility requirements document. A significant change was made from a retrofit design to a stand alone design, thereby, providing for a turbine generator that will provide for power production with or without the MHD topping cycle. This design will help to guarantee power sales for loans used in the financial structure. Similarly, a seed regeneration system has been added to improve the economics of the operation. The size of the demonstration has been determined by selecting reasonable scaling factors between present MHD testing facilities (nominally 50 MW_t) and the next commercial size plant (nominally 1000 MW_t). The resultant plant size chosen for this demonstration is 250 MW_t. The plant will produce approximately 90 MW electrical power from the 250 MW thermal input. A schematic of the proposed plant is shown in Figure 1.

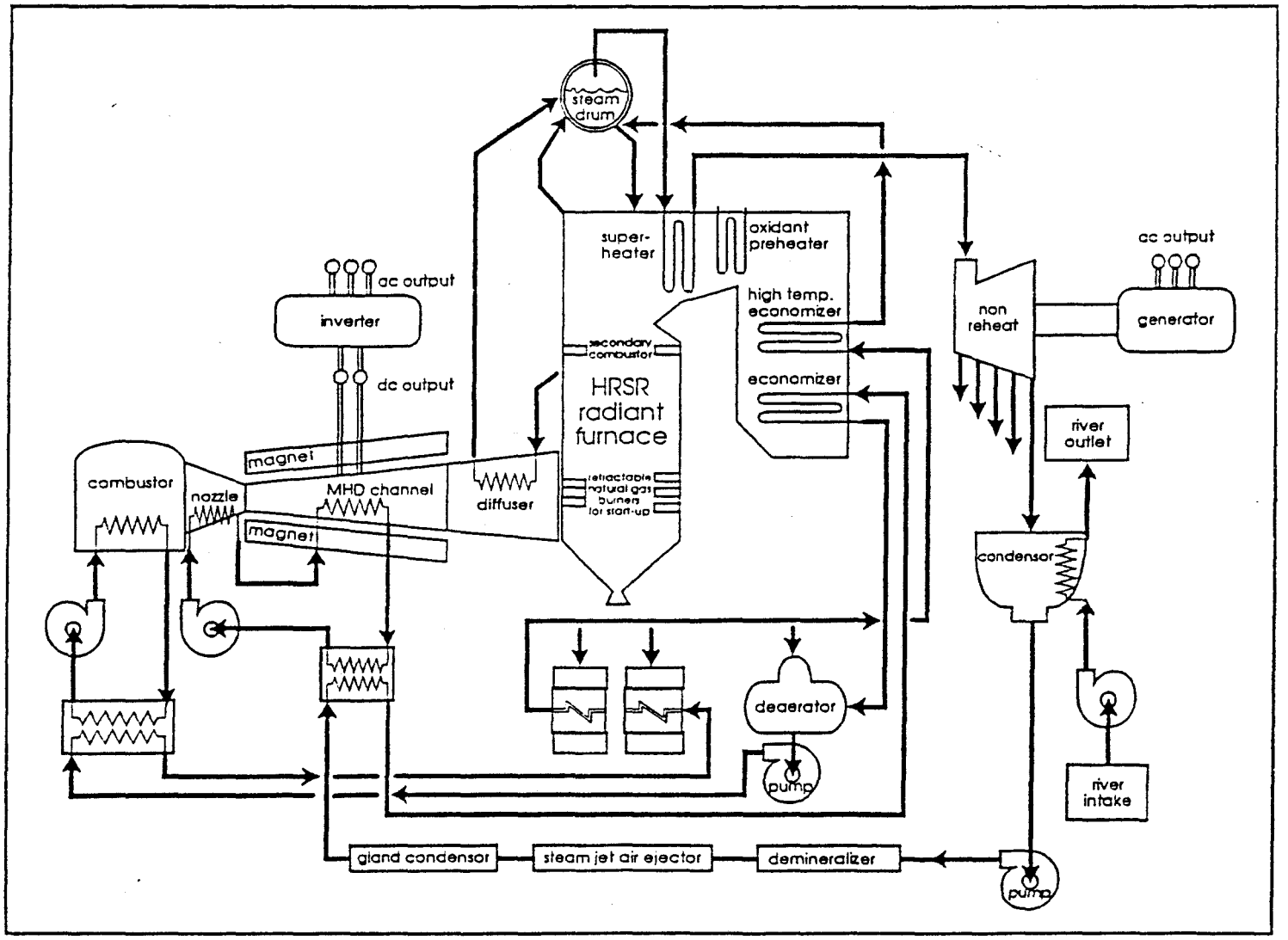


Figure 1. Proposed Billings Magnetohydrodynamics Demonstration Project

☐ ROLE IN COMMERCIALIZATION INITIATIVE

Plant construction is slated to begin in 1995, with completion and startup in 1997. The plant will then be operated in a demonstration operational phase for three years to provide data necessary to support commercialization of the technology. At the conclusion of this phase, operation as an independent power producer will continue with long-term electric sales contracts to nearby utilities. The proceeds from these sales will pay for operating costs and loan debt while providing a return yield to the investors.

This project is an important step in MDC's commercialization of the MHD technology. This plan calls for the commercial size plant to be designed and built based on the experiences and success of the BMDP. This commercial size plant will be in operation about 2002.

☐ PROJECT OBJECTIVES

The objective of the BMDP is to demonstrate that the MHD technology can significantly advance the efficiency and environmental performance of coal-fired electrical power generating facilities. The technical, environmental, economic, and operating goals to achieve this objective include:

- demonstrating the performance and control of the integrated operation of the MHD topping and bottoming cycles, and seed regeneration systems;

- demonstrating efficiency performance at plant scale, which can lead to a commercial MHD system having a net efficiency approaching 60 percent;

- demonstrating environmental performance that 1) removes more than 99 percent of the sulfur oxide emissions; 2) produces nitrogen oxide emissions at less than 0.1 lb/mBtu; and 3) is significantly less in air toxic and carbon dioxide emissions, liquid wastes, and solid wastes than any technology in use or currently being developed;

- providing financial and economic data to demonstrate the potential for competitive capital costs and lower cost of electricity for commercial sale; and

- establishing operability, reliability, availability, and maintainability data of an operating MHD system, thereby, permitting utilities to make educated decisions for future plant requirements.

☐ ADVANTAGES AND APPLICATIONS

MHD has the potential to be the most efficient, least costly, and cleanest way to burn coal.

MHD achieves its potential by burning coal in a pressurized combustor with preheated air or oxygen to produce a combustion plasma gas having a temperature between 4,500 and 5,000 °F. This high temperature leads to high efficiency. A seed material, such as a potassium salt or compound, is added to increase electrical conductivity in the ionized plasma. This seed material reacts with the sulphur compounds to make gypsum and fly ash, which are both recovered—effectively eliminating all sulphur oxides. The gas passes through an MHD generator at about Mach 1 to extract electrical power. The hot gases exiting the MHD generator are then directed into a modified conventional heat recovery boiler system to generate steam for producing additional power.

The MHD system will eliminate essentially all of the sulphur oxides emissions, reduce the nitrogen oxides emissions to about one-sixth of today's standards, and reduce particulate emissions using the best technology that exists. Future plants will also reduce greenhouse gases to about 60 percent of today's emissions because of their high efficiency.

Increased efficiency greatly reduces the size of the total plant complex. For instance, today's 33 percent efficient 1000 MW_e plant requires a physical plant of 3000 MW_t. A fully developed 60 percent efficient MHD power plant at 1000 MW_e will require a less than 1700 MW_t physical facility.

The BMDP, a follow-on to the DOE National MHD Development Program begun in 1983, is intended to demonstrate the MHD technology. The database developed from the program represents an investment of $800 million in this technology. The BMDP is a logical followup of this research and development effort to lead to a clean, efficient, low cost way to use coal, our nation's most abundant fossil resource. It is also a logical recipient to a Clean Coal V award, since the Congressional mandate for that solicitation was to conduct cost-shared demonstration projects that "advance significantly the efficiency and environmental performance of coal-using technologies."

☐ SCHEDULE

DOE will announce selections for negotiations May 6, 1993. The following is the project schedule.

EXHIBIT 40
DATE 3-16-93
HB-616

- Signed award—Jan. 1, 1994.
- Complete project definition activities and firm cost estimate—Jan. 1, 1995.
- Begin construction—June 1, 1995.
- Begin startup tests—June 1, 1997.
- Begin Demonstration testing—April 1, 1998.
- Complete demonstration testing—June 20, 2000.

☐ PROJECT COST

Total project cost as estimated for the Clean Coal V proposal is approximately $650 million. This estimate includes the engineering and construction costs as well as the operating costs for the three year startup and demonstration period.

☐ FUNDING APPROACH

The total funding package includes $220 million requested from DOE; a $25 million loan from the State of Montana's Clean Coal Technology Fund; $29 million in tax exemptions; and the remainder of funds (over 60 percent) will be from participant equity funds and loans.

The Bank of America is the financial advisor to this project, and they believe this project is fundable based on its pro forma models.

Technical, financial, and political support from the participants, electric utility industry, EPRI, and other entities, is needed for this project to succeed.

EPRI is encouraging the utilization of their Tailored Collaboration Program. This program provides for an EPRI match of utility dollars contributed in excess of their regular EPRI dues.

☐ PARTICIPATION AGREEMENT

Upon notification of selection for the Clean Coal V award, participation agreements will be executed. The eight companies who have teamed together for the project will be expected to include other participants and investors. Union Carbide and the Northern States Power NRG Group have indicated interest in equity participation. Participation agreements with EPRI and other electric utility companies and suppliers are anticipated.

☐ BACKGROUND OF THE MHD DEVELOPMENT CORPORATION

MDC was established in 1985 as a consortium of private companies, universities, and utilities whose stated purpose is "to initiate, promote, and coordinate efforts toward effecting MHD commercialization, including development of commercial demonstration of electric utility steam power plants with MHD topping systems and including other practical applications of MHD and to involve and coordinate the involvement of private industry as well as public bodies in such efforts."

Subsequently, MDC has taken the lead in the MHD technology commercialization effort. With the successful award of the BMDP, MDC will focus on the follow-on MHD commercial applications.

☐ FOR ADDITIONAL INFORMATION

Contact:
Mr. Robert Labrie,
President
MHD Development Corporation
P.O. Box 3809
Butte, MT 59702
(406) 782-0463

EXHIBIT 9
DATE 2/16/93
HB 616

BILLINGS
AREA CHAMBER OF COMMERCE®

February 15, 1993

Representative Gilbert
House Taxation Committee
Capitol Station
Helena, MT 59620

Dear Representative Gilbert and House Taxation Committee Members,

The Billings Area Chamber of Commerce supports the adoption of HB 616: An act providing a clean coal technology demonstration loan to the MHD Development Corporation. This project will produce needed electrical power in a manner that is not detrimental to the environment. The technology required for the MHD plant will be beneficial not only for Billings, but also for Montana and the United States.

Considerable effort has been given over the years to development of the MHD plant. It is of utmost importance that the progress to that end continue. Do pass HB 616.

Thank you for your consideration of our recommendation.

Respectfully yours,

Elbert "Butch" Ott
President/CEO

ACCREDITED

TREECYCLE
RECYCLED PAPER
the other half of recycling

EXHIBIT 10
DATE 2/16/93
HB 519

(406) 586-5287

Testimony of Rick Meis on H.B. 519

"An Act to clarify the definition of recycled material eligible for a deduction ..."

February 16, 1993

Chairman Gilbert, members of the Committee,

My name is Rick Meis, and I am from Bozeman. I have a small business called Treecycle, which sells recycled paper products. That should explain why I am here. I support H.B. 519.

The motto of Treecycle is "the other half of recycling." I think this is important. Recycling is a loop, and if it is going to be successful, then there must be a demand for the products made with the material which you and I take to the collection centers.

Recycling is to take our recyclables to the recycling center AND to buy and use products made with those materials. The ability to have our paper and plastic readily accepted at a recycling center hinges on the subsequent demand for products made with those materials. This bill will help create a demand for the endless amounts of paper collected in all those big, blue bins all around the capitol building.

I know recycled paper, but much of the same holds true for plastics also, and these are two of the biggest items choking our landfills. We must make every attempt to support the collection of post-consumer materials. These make up over 85% of the post-mill recoverable paper wastes, and paper can be as much as 40% of the material going into landfills; plastics can be 7%.

My comments today are directed at paper but can be applied to other items as well.

Two years ago, a piece of legislation passed that created a tax credit for purchase of items associated with recycling. It gave the Department of Revenue the power to establish the rules for a tax credit for businesses using recycled material. I appreciate the effort that those involved put forward.

However, the piece of legislation and the subsequent rules fall short of being effective for the purchase of recycled products. I want to address Rule 42.15.416. As it is written, for fine papers (printing and writing) the 90% reclaimed material definition is unlikely to be readily achievable even by those wishing to do so. A lack of knowledge (and a small mistake) allows only small fraction of good recycled products available. According to the rules, recycled equals 90% reclaimed equals post-consumer. This is the place where good definitions and the distinction between types of recovered materials is necessary.

Only a tiny handful of papers for printing and writing, some speciality items like these tablets, and this brand of toilet paper qualify. Yes, I have some customers that will be taking deductions for 1992. I'd be willing to wager that very few other businesses in the State of Montana will be taking the deduction ... legally, that is.

I know this was not the intent. I hope this committee will help to correct this. In fact, the sponsor of the legislation two years ago, Sen. Halligan, is a signer on this bill.

The intent of Rep. Barnhart's bill addresses post-consumer content as an ultimate goal of this legislation. The US EPA guidelines, for instance, after listing the minimum content specifications

go on to note the intent is the maximum post-consumer content practicable. It is usually overlooked as the goal however, and if we state it more up front, it may help the private sector to be more aggressive in its pursuit of this.

Rep. Barnhart's bill will fix the problem in the rules as I mentioned above. It will allow businesses that put the effort forward to use good recycled products to take this token deduction for it.

General rulemaking authority is delegated to the Department of Revenue. They do not know all the details necessary and need to seek advise on the implementation of this. Last time they made a mistake and did not probably know it. I think directing the Department to specifically seek advise through consultation with experts in the fields will alleviate the problem, and this bill directs that to happen.

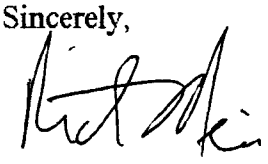
A major goal of reduction is accomplished by use of post-consumer material -- the stuff you and I take to the recycling centers; the stuff in all those big bins throughout this building.

I think it is very much a commendable move that these innovative types of deductions and credits are being developed. I encourage your support of H.B. 519.

(Ever wondered where all that paper goes?)

Thank you for your time.

Sincerely,



Rick Meis

EXHIBIT 10
DATE 2/16/93
HB 519

Supplemental information to help understand the necessity for H.B. 519.
prepared by Rick Meis as an addendum to testimony on H.B. 519

Why a bill like this? Why recycled? What does it accomplish? Just what is it the Department of Revenue is supposed to do to meet this?

Treecycle approaches recycled paper from the angle of resource conservation, not simply trying to sell someone the recycled logo. I have done quite a bit of research into recycled paper and the the issues of solid waste and pollution which recycled paper can address.

The goals of solid waste reduction can readily include the ability to reduce pollution, and good recycled paper (and other) products can accomplish both reduction of materials going to a landfill and reduce pollution from the production of the recycled papers. The goal of solid waste reduction and land conservation (longer life landfills) and the related reduction of both pollution at landfills and in the production of the recycled product are benefits to the public and our environment.

An effectively implemented tax credit like this can also weed out those items called recycled, even 100% recycled, that really are no change from how things have always been done. 100% recycled toilet paper,for example, should not qualify unless it contains an absolute minimum of 20% post-consumer material By the time the rules are drafted, this will probably be more like 40%. Many companies have been making what some call recycled t.p. for a long time, but without the inclusion of a minimum of post-consumer material, it is really no change from what has always been done, and thus does nothing and should not be rewarded.

On the other side of the coin, just because there are some toilet papers out there that say they are 100% recycled and may be interpreted to compete with t.p.'s of new material on an even basis, the really progressive tissues that are of a high post-consumer content (and generally more expensive) should not be discounted as they really do create a demand for post-consumer recycled material.

There are about 12 or so paper companies that have extremely environmentally sound papers out - not just recycled-wise but also chemical-wise; about 6 or so that have shifted in a major way to this goal, not just putting out an image leader. But there are quite a few papers that meet the minimum possibilities I delineate below.

I think it is very important to have it applicable for tax year 1993. With the state collecting and recycling papers, and the encouragement the private sector is getting, I think we need to encourage it as rapidly as possible.

Please do not be too discouraged that I make it sound intensely more complicated than you may think it should be, but I will try to explain myself as I go. Information on, the quality of, and the understanding of recycled paper is changing rapidly. It is important to keep up and not promote the wrong kind of actions as the EPA guidelines inadvertently did.

It is also very important that we all understand the definitions associated with the word "recycle" and derivations thereof. There is not a good, hard and fast definition even for this key word. I go back to the root bases for the word and the definition becomes: to have a complete set of events or phenomena occur in the same sequence; to use over again or put back into series again.

Conservatree Paper Company has prepared a "Recycled Paper Agenda for the '90s." This is probably the most innovative proposal of its type in the nation. Much as I would like to, I do not advocate wholesale adoption of this program all at once in Montana, although it is certainly a good goal.

When a paper is labeled as a certain percentage of recycled content, it may be by weight or by fiber (as you are probably used to). Paper can be up to 30% or more water, fillers, and chemicals. The easiest comparison for understanding this is that the average recycled paper you may be used to is labeled 50% recycled. This may be by fiber content. Measured by weight it would actually be only about 40% recycled. And vice versa, some 50% recycled,by fiber, papers may actually be closer to 60% by weight.

I do not consider mill waste as a recycled material. Again, many of the recycled papers you may be familiar with may be most, if not all, mill waste. The reason I do not accept this source as recycled is that mill wastes have always, 100%, been reused by the industry -- none has ever gone to a landfill. If the idea of recycling is to promote waste that currently is hauled away and buried as a recoverable or reclaimable resource, then it is defeating the purpose to allow something that is already used to be labeled as such.

This is where good definitions for post-mill, de-inked, and post-consumer become important. It would be defeating any intent of recycling to allow mill waste recycled papers to qualify for this deduction. We must make every attempt to support the collection of post-consumer materials. These make up over 85% of the post-mill recoverable paper wastes, and paper can be as much as 40% of the material going into landfills.

Much the same is true for plastics.

As these kinds of things change rapidly, it would be good to have the flexibility of phasing in stricter requirements in a few years, as well as offer an incentive for use of the best -- the highest post-consumer content.

I would suggest a two-tiered system would be more fair and promote use of de-inked and post-consumer materials.

For the 5% deduction:

recycled printing and writing paper should contain, by fiber:
a) 50% recycled including 10% post-consumer material,
b) 50% post-mill and/or de-inked materials

recycled newsprint should contain, by fiber:
a) 40% post-consumer material

recycled paper bags should contain, by fiber:
a) 40% post-consumer material, or
b) be made from un-repulped, recovered paper

recycled corrugated and fiberboard boxes should contain, by fiber:
a) 60% recycled content including 40% post-consumer material

recycled tissue products should contain by fiber:
a) 100% post-mill recycled materials including
40% post-consumer for paper towels,
30% post consumer for paper napkins,
20% post-consumer for toilet tissue,
20% post-consumer for facial tissue.

It should not include papers labeled recycled that are not certified in some way to contain the materials as delineated above. This could be done by the Department of Revenue in the simplest of fashions. Also note that I have listed my contents by fiber. H.B. 519 allows for either presentation of recycled content, as long as it is consistent.

EXHIBIT H10
DATE 2-16-93
HB-519

It would be good to set up the system to give a higher (10%) deduction for recycled paper containing:

recycled printing and writing paper should contain, by fiber:
a) 100% post-mill recycled incl/ 20% post-consumer material,

recycled newsprint should contain, by fiber:
a) 90% post-consumer material

recycled tissue products should contain by fiber:
a) 90% post-consumer materials

These numbers are all readily achievable now in Montana. However, the numbers listed in the 5% list are very lax, and should become stricter as the market improves for what is available.
I want to emphasize that the qualifying papers should be certified in some fashion. Many businesses selling recycled paper really don't understand what it is they are selling or why. I run into this all the time. Some of the papers being sold as recycled in the state are simply papers made of mill waste. Although this currently meets the EPA guidelines, it is expected that the updated guidelines will not contain this category as it fails to meet the intent of the guidelines. In several states and Canada, this kind of paper cannot be labeled, called, or sold as recycled. It would certainly not be innovative to continue to support this problem.

An important point to remember is that the quality of recycled paper is as varied as paper itself. An often heard argument against recycled paper is that it doesn't have the quality. That would be like saying cars are noisy and uncomfortable. A few cars, maybe. A few recycled papers, maybe. There is a recycled paper that meets every need.

In fact, most recycled papers are of such a quality that the average person would be hard pressed to tell recycled from non-recycled. The most variable thing in recycled paper is the environmental quality. Some barely reduce air and water degradation. Some are as benign as it is possible to make paper. At Treecycle, we feel it is important to know that, and make every effort to offer the most environmentally benign papers that meet the quality needs of the consumer. One recycled copy paper is not necessarily the same as the next; the same with rag bond, printing paper, etc.

I have working papers on the myths and realities of recycled paper and pollution from paper production which I can send you if you are interested. Thank you for your time and interest in the matter. Do not hesitate to get hold of me if you have any questions or concerns.

EXHIBIT 10.A
DATE 2/16/93
HB 519

COMMUNITY FOOD CO-OP

908 W. Main St. * Bozeman, MT 59715 * (406) 587-4039

February 15, 1993

Representative Gilbert:

As manager of the Community Food Co-op, I would like to encourage your support of legislation granting tax credits for recycling efforts. House bill #519 attempts to encourage businesses to purchase recycled products.

Our experience has been that it requires a real commitment to recycling and the future of the Earth for businesses to go the extra effort needed to recycle. Its a hassle! Until the economics of the situation change businesses and individuals will need the stimulus of legislation to find the motivation.

Far sighted individuals like you and the people you represent can see that once we get the demand for recycled products going the economics will take care of itself. But until then we need legislation like HB 519. Thankyou for listening and your support of this important legislation.

Sincerely,

Dana Huschle
Co-manager

EXHIBIT 10.B
DATE 2/16/93
HB 516

DANA DESIGN LTD
1950 North 19th Avenue
Bozeman, Montana 59715
TEL: 406-587-4188
FAX: 406-585-9284

15 February, 1993

Dear Ladies and Gentlemen:

It has come to our attention that House Bill 519, sponsored by Beverly Barnhardt, is being discussed in committee soon. I would like to give you some feedback on the viability of this bill, from our standpoint as a Montana manufacturer. We believe that recycling is very important to Bozeman, as well as Montana and the entire human population. Here in Bozeman we face the situation that our landfill will soon be full, and we will need to start a new one. This could be a never ending problem, and most people do not want a landfill in their back yard, visible from their house, draining into their water supply, or sitting under their food-crop fields.

What better way to ease this problem than to recycle parts of what would otherwise end up as landfill. Now, upon investigation, you will probably discover that on a business scale (as opposed to personal home scale) there is little chance to gain monetarily for recycling. Yes, we save the cost of putting cardboard, plastic, aluminum, glass, and a few other items into the landfill (lower garbage rates). However, the cost to us to get the recyclable items to a destination where they can then be recycled is equal to or greater than any perceived savings.

An additional way to encourage recycling is to utilize products that are "recycled". Further investigation leads to the realization that most products that are composed partially or totally of recycled components are usually more expensive to purchase that their "virgin" counterparts.

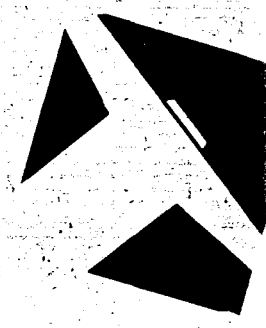
Currently, it appears, that there is no real incentive for a Montana business to aid in decreasing garbage input into our diminishing landfills, other than feeling real good about doing it. Some of us will continue to recycle JUST because we know it is the right thing to do. However, the current bill before you will actually give many Montana businesses a further incentive to decrease the rising costs of dealing with garbage. I believe that in the long run, much more money will be saved by encouraging the use of products that are composed of recycled components, than it will cost the State of Montana (perhaps at a local level, but then it all comes out of our pockets one way or another, doesn't it...) in lost tax revenue by offering this incentive. Knowing that a business can save money using recycled products will give a business a further incentive to recycle, ensuring that there will be recycled products available to use.

If you would like any further information from a Montana business perspective, please do not hesitate to contact me regarding this. Thank you for hearing my perspective on this sticky issue!

Best Regards,

Renee Sippel-Baker
DANA DESIGN

EXHIBIT 100
DATE 2/16/93
HB 519



NORTH WIND DESIGNS, INC.

Chairman Bob Gilbert
Taxation Committee
Montana House of Representatives
Helena, MT

February 15, 1993

Dear Chairman Gilbert and Members of the Committee:

I am writing in support of House Bill 519 which sets guidelines for recycled paper and other materials and supports their use by businesses across the state.

We currently use recycled paper in almost every application in our business, for office paper and advertising materials. We also recycle all paper, cardboard and glass which come through our office, reusing packing materials and boxes whenever possible.

However, recycling and reusing is not enough, and the government of Montana should set an example and actively encourage waste reduction. Recycling paper and cardboard is only the first step in the cycle, and unless every individual and business supports the next step, using recycled paper, the loop will not be closed.

Nationwide, consumers have shown an eagerness to do their part in reducing solid waste by returning recyclable materials, but **government must help promote the extremely necessary next step, supporting the creation of a market for recycled materials.**

I urge the Montana government to encourage the public sector to use recycled materials whenever possible, and to help the private sector by giving a tax break to those who set an example and use recycled materials.

Sincerely,

Jennifer M. Kahrl
President
North Wind Designs, Inc.

Mailing:
Post Office Box 65
Bozeman, MT 5977

Studio:
[redacted]
517 East Aspen
Bozeman, MT 597

EXHIBIT #D
DATE 2/16/93
519

Recycle-It

Recycling for people who prefer
the convenience of curb-side pick-up.

Jim Hassler • 1205 S. Willson • Bozeman, Montana 59715
Phone (406) 586-2351

February 15, 1993

Rep. Bob Gilbert, chair
Taxation Committee
Montana House of Representatives
Helena, MT 59620

Dear Rep. Gilbert,

I am writing to you to express my support for H.B. 519 by Beverly Barnhart which would clarify the definition of recycled material eligible for a tax credit.

I own and operate Recycle-It, a curbside recycling service. We collect a variety of reclaimable materials from businesses and residences for recycling.

In clarifying the tax credit for businesses which creates a deduction for using recycled products, it would be a benefit to my business in an indirect fashion It would be a benefit to our state directly. This bill would provide an incentive for businesses to use recycled products which contain post-consumer material. This would increase the demand for materials a business like Recycle-It collects, and subsequently promote waste reduction and keep more material from going to the landfills. As a resident of Montana I support this as well as a businessman.

Another benefit of this bill, which would be good for businesses and organizations across the state which collect recyclables is that it would help more people think about recycling and "do" recycling, both in buying products made with reclaimed materials and in collecting and sorting their recyclables.

This kind of consciousness raising would spin off in to more than just that for which they can get a deduction. It would encourage waste reduction and recycling.

I urge you to pass H.B. 519. Thank you.

Sincerely

Jim Hassler

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

_____ COMMITTEE BILL NO. HB 557

DATE 2/16 SPONSOR(S) McCasserr

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Lowell L. Gates	D.D. of Montana	X	
7285 Applegate Dr. Helena Paula J. Grossman	Lewis & Clark 4-H	X	
3826 Edelweiss Cindy Tusler E.H. MT. 59635	Lewis & Clark 4-H	X	
380 Hope Rd Barry Gilbert Helena MT 59601	Lewis & Clark 4H	X	
Carey Grossman	"	X	
R. Gates MT	Lewis & Clark West Mont Farmin Co Coll	X	
Mike Murray	Lewis & Clark County	X	
Blake Wordell	"	X	
Bob Burns	"	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HB 519
HB 523
HB 557
HB 539
HB 616

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

HOUSE TAXATION COMMITTEE BILL NO.

DATE 2/16/93 SPONSOR(S) BROWN, KNOX, MCCAFFREE, DRISCOLL BARNHART

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Arnold Gotte/	Teton Co.	X 557	X 523
Andrea Pagen Kopf	MSU-Extension		
Ben Havdahl	MT Motor Carriers Assoc	HB539 ✓	
Tom Hopgood	Mt. Assoc. Realtors		HB557 ✓
Dave Lewis	ORPP	HB 523	
DAVE Brown	Sponsor - HD #72	HB 539 X	
Carl Schweitzer	Mont Coal Assoc	HB539	
Helen Taffs	MT Society of CPAs	HB 519 X	
NOEL WILLIAMS	LINCOLN COUNTY		X 523
Howard Gipe	Flathead Comm.		X 523
Dan Geer	Glacier Co. Comm.		X 523
ALLAN HOWRY	GLACIER CO COMM.		X 523
Bjyke Wonda	Lewis & Clark Co		X 523
Bob Burns	" "		557

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Steve Huntington	MHD Development Corp.	X 616	
Rick Meis	Bozeman	X 519	

~~HB 539~~

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

_____ COMMITTEE BILL NO. _____

DATE 2/14/93 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Ronna Alexander	MT. Petroleum Marketers	HB539 X	
Dave Brown	State Reg. #HD#72	HB616 X	
Ken Heibes	Yellowstone County MT Trade Port Billings Chamber	HB616 ✓	
Gordon Morris	MHA HB557	HB523	X X
Richard P. Schulke Richard Schulke	MHD Development Corp	HB616 X	
Bob Lubrie	" " "	HB616 X	
DEBORAH JOHNSON	MT. LIBRARY ASSN	HB557	
[illegible]	[illegible]	557	
[illegible]	[illegible]	557	
John Tubbs	DNRC 616		
[illegible]	4-H	557	
[illegible]	4-H	557	
Beau Rieser	" "	557	
Amy Wenzel	Lewis & Clark 4-H	557	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

_____ COMMITTEE BILL NO. _____

DATE 2/16/93 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Wayne Kedish	Legislative Audit for By Request of Repr Knox		
David Owen	MT Chamber of Commerce	519 X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

HOUSE TAXATION COMMITTEE BILL NO. 557

DATE 2/16/93 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Mark Pufer Box 757, East Glacier Mt	Self and Congressman Pat Williams	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

_____ COMMITTEE BILL NO. 615

DATE 2/16/93 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
[illegible]	SD #45	✓	
Jo Evans	[illegible]	—	
David Owen	MT. chamber of commerce	✓	
KEN HEIKES	YELLOWSTONE County City of Billings Montana Trade Port Authority Billings Area Chamber of Commerce	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

RPT. LCB4 FINAL COMMITTEE REPORT OF REFERRED BILLS RUN TIME 16:01
RUN DATE.... 05/03/93

CHAIRMAN--BOB GILBERT **COMMITTEE--HOUSE TAXATION**
SECRETARY-JILL ROHYANS
NORMAL SCHEDULE => SITE: ROOM 437 DAYS: M,T,W,T,F TIME: 8:00 A.M.

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0008	GILBERT, BOB 12/30	1/06	CLARIFY TAXATION OF INTERSTATE MOTOR VEHICLE FLEETS	PASS AS AMENDED 1/14 VOTE: 19-0		1/14
HB0017	RICE, SHEILA 1/16		REVISE PETROLEUM AND LIQUEFIED PETROLEUM DEALER LICENSE FEES	PASS AS AMENDED 3/18 VOTE: 16-3		3/20
HB0047	GILBERT, BOB 12/30	1/06	ASSIGN COAL TAX OVERSIGHT DUTIES TO THE REVENUE OVERSIGHT COMMITTEE	DO PASS 1/14 VOTE: 19-0		1/14
HB0070	RICE, SHEILA 1/16		ESTABLISHING WEIGHING DEVICE FEES	PASS AS AMENDED 3/18 VOTE: 16-3		3/20
HB0076	NELSON, THOMAS 12/30	1/05	INDIVIDUAL INCOME TAX DEDUCTION FOR HEALTH INSURANCE PREMIUM PAYMENTS	Died in Committee - No Action		
HB0080	MCCAFFREE, ED 12/30	1/05	COUNTY TO DISTRIBUTE LEASE REVENUE ACROSS MILL LEVY FOR CURRENT YEAR	DO PASS 1/6 VOTE: 20-0		1/06
HB0092	TUNBY, ROLPH 1/04	1/12	AMEND STATE-TRIBAL COOPERATIVE AGREEMENTS ACT SPECIFICALLY FOR TAXATION	PASS AS AMENDED 1/27 VOTE: 11-9		1/28
HB0103	SWANSON, EMILY 1/05	1/12	CLARIFY TAX APPEAL ONLY FROM FINAL DEPARTMENT DECISION	DO PASS 1/14 VOTE: 18-1		1/14
HB0119	HANSON, MARIAN 1/07	1/14	CLARIFY BEER AND WINE TAX DISTRIBUTION	PASS AS AMENDED 1/14 VOTE: 19-0		1/14
HB0149	LARSON, DON 1/12	1/15	ALLOW DEPT OF TRANS TO MAKE INTERSTATE AGREEMENTS ON CERTAIN FUEL TAXES	DO PASS 1/15 VOTE: 20-0		1/16
HB0154	WHALEN, TIM 1/13	1/19	CLARIFY THAT CERTAIN INCOME TAX INFORMATION IS NOT CONFIDENTIAL	ADVERSE RPT ADOPT 2/5 VOTE: 12-8		2/10

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0160	DEBRUYCKER, ROGER	REQUIRE AGENCY OF U.S. GOVERNMENT TO PAY PROPERTY TAXES ON FORECLOSURE				
	1/13	1/19		DO PASS 1/20 VOTE: 20-0		1/21
HB0184	NELSON, THOMAS	TELECOMMUNICATIONS INDUSTRY COMMITTEE -- UNDER DEPARTMENT OF REVENUE				
	1/14	1/19		PASS AS AMENDED 1/20 VOTE: 17-3		1/21
HB0186	MCCAFFREE, ED	2% PENALTY ON DELINQUENT PROPERTY TAX TO COUNTY GENERAL FUND				
	1/14	1/19		DO PASS 1/27 VOTE: 20-0	APPROPRIATIONS	1/28
HB0196	DRISCOLL, JERRY	CAP THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING JURISDICTIONS				
	1/15	1/20		PASS AS AMENDED 2/5 VOTE: 20-0	APPROPRIATIONS	2/06
HB0204	REAM, BOB	ALLOW COUNTY & CITY 4 MILL LEVY FOR CAPITAL IMPROVEMENT EXEMPT OF TAX FREEZE				
	1/15	1/22		TABLED ON 02/03 VOTE: 20-0		
HB0207	LARSON, DON	FUND DEPT. JUSTICE FIRE PREVENTION & INVESTIGATION ACTIVITIES				
	1/15	1/20		TABLED ON 02/03 VOTE: 16-4		
HB0219	GILBERT, BOB	TAX CREDIT FOR ALTERNATIVE FUELS -- VEHICLE CONVERSION				
	1/18	1/28		PASS AS AMENDED 3/27 VOTE: 15-0		3/27
HB0221	SCHYE, TED	COUNTY GRANT PROGRAM FOR ARTS & HUMANITIES OR MUSEUM FACILITY/FUNDED BY LEVY				
	1/18	1/28		DO PASS 1/28 VOTE: 20-0		1/29
HB0250	REAM, BOB	AMENDING DOR PROPERTY TAX REVIEW AND COUNTY AND STATE TAX APPEAL PROCESS				
	1/20	1/26		PASS AS AMENDED 1/27 VOTE: 20-0		1/28
HB0254	MCCAFFREE, ED	INCREASE MOTOR VEHICLE LIEN FILING FEE				
	1/20	1/26		PASS AS AMENDED 1/27 VOTE: 17-3		1/28
HB0268	HARPER, HAL	ESTABLISH FIRE SERVICE AREA WITHIN BOUNDARIES OF A MUNICIPALITY				
	1/20	1/26		PASS AS AMENDED 2/9 VOTE: 16-4		2/10
HB0283	ELLIOTT, JIM	REVISE CIGARETTE TAX WITH EXEMPTION FOR TRIBAL MEMBERS				
	1/20	1/27		PASS AS AMENDED 2/3 VOTE: 19-1		2/04

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0297	MCCARTHY, BEA		CLARIFY CAPITAL GAINS TREATMENT FOR ESTATES			
	1/21	1/27		DO PASS 1/27 VOTE: 20-0		1/28
HB0298	BIRD, JODY		EXTEND APPEAL TIME FROM STAB INVOLVING INDIVIDUAL INCOME TAX			
	1/21	1/28		DO PASS 1/28 VOTE: 20-0		1/29
HB0300	SWANSON, EMILY		EXTEND TIME FOR REFUND OF TELEPHONE EXCHANGE ACCESS FEE			
	1/21	1/29		DO PASS 1/29 VOTE: 20-0		1/30
HB0312	FOSTER, MIKE		CLARIFYING COMMERCIAL USE OF BENEFICIAL USE TAX			
	1/22	1/27		DO PASS 1/27 VOTE: 20-0		1/28
HB0322	FELAND, GARY		EXEMPT FIRST 3 BARRELS A DAY OF STRIPPER OIL FROM STATE SEVERANCE TAX			
	1/22	1/29		PASS AS AMENDED 3/18 VOTE: 13-6		3/19
HB0325	MENAHAN, RED		POLLUTED PROPERTY TAX			
	1/23	2/05		TABLED ON 02/12 VOTE: 20-0		
HB0326	MENAHAN, RED		RECREATIONAL LAND PROPERTY TAX			
	1/23	1/29		TABLED ON 03/12 VOTE: 13-6		
HB0327	MCCAFFREE, ED		CLARIFY APPLICABILITY OF $5 MINIMUM PROPERTY TAX			
	1/23	1/26		PASS AS AMENDED 1/27 VOTE: 19-1		1/28
HB0330	BIRD, JODY		CLARIFY STATUTE OF LIMITATIONS FOR INDIVIDUAL INCOME TAX			
	1/23	2/04		DO PASS 2/8 VOTE: 18-0		2/09
HB0333	COBB, JOHN		EXTEND UTILIZATION FEE ON NURSING HOMES TO INCLUDE BED DAYS OF ALL PAYORS			
	1/23	2/15		PASS AS AMENDED 3/18 VOTE: 20-0		3/19
HB0334	ELLIS, JR., ALVIN		REVISING THE DEFINITION OF AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES			
	1/23	2/12		TABLED ON 03/18 VOTE: 20-0		
HB0353	WANZENRIED, DAVID		PROVIDE FOR RECREATIONAL LEASES OF CERTAIN SCHOOL TRUST LANDS			
	1/26	2/05		TABLED ON 02/05 VOTE: 20-0		

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0360	BACHINI, BOB		CONST. AMEND TO CAP COAL SEVERANCE TAX TRUST FUND AT $500 MILLION FOR 10 YRS			
	1/27	2/03		TABLED ON 02/10 VOTE: 19-1		
HB0362	BARDANOUVE, FRANCIS		POP TAX TO FUND STATE PARKS			
	1/27	2/19		TABLED ON 03/15 VOTE: 20-0		
HB0363	RICE, JIM		EXTEND LOCAL OPTION VEHICLE TAX FOR TWO MORE YEARS			
	1/27	2/03		DO PASS 2/5 VOTE: 20-0		2/09
HB0378	MCCAFFREE, ED		ESTABLISH OFFICIAL GUIDE TO BE USED TO DETERMINE VALUE FOR CERTAIN EQUIPMENT			
	1/28	2/04		TABLED ON 02/12 VOTE: 15-5		
HB0382	FOSTER, MIKE		ESTABLISH VALUE OF LIMESTONE FOR NET PROCEEDS TAXES AND RITT			
	1/28	2/04		DO PASS 2/9 VOTE: 19-1		2/10
HB0388	GILBERT, BOB		WATER QUALITY FEES			
	1/28	2/04	3/18 TABLED 11-9	PASS AS AMENDED 3/19 VOTE: 18-2		3/20
HB0397	MCCULLOCH, SCOTT		REVISE FEES FOR DRIVING RECORDS AND ID CARDS -- APPROP. MONEY TO JUSTICE			
	1/30	2/03		PASS AS AMENDED 2/9 VOTE: 15-2		2/10
HB0400	WANZENRIED, DAVID		FEES FOR RADIATION SERVICES ESTABLISHED BY RULE, SPECIAL REVENUE ACCOUNT			
	1/30	2/09		FAILED 3/12 VOTE: 10-10	APPROPRIATIONS	
HB0402	STRIZICH, BILL		REVISE TIME FOR CANCELING PERSONAL PROPERTY TAX			
	1/30	2/05		DO PASS 2/5 VOTE: 20-0		2/06
HB0413	QUILICI, JOE		CLARIFICATION OF PSC AND CONSUMER COUNSEL TAX			
	1/30	2/09		PASS AS AMENDED 2/10 VOTE: 19-0		2/11
HB0418	BROWN, DAVE		ALLOW PAYMENTS OF ANY AMOUNT ON DELIQUENT PROPERTY TAXES			
	2/01	2/10		TABLED ON 02/10 VOTE: 20-0		
HB0421	STRIZICH, BILL		ALLOW COUNTY PUBLIC SAFETY PROPERTY TAX LEVY			
	2/01	2/11		PASS AS AMENDED 2/18 VOTE: 18-1		2/23

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0436	NELSON, THOMAS		CLARIFY DEFINITION FOR POLLUTION CONTROL TAX CREDIT			
	2/03	2/10		PASS AS AMENDED 3/5 VOTE: 20-0		3/06
HB0437	HARRINGTON, DAN		REVISE DEFINITION OF NET INCOME FOR LOW-INCOME PROPERTY TAX RELIEF			
	2/03	2/08		DO PASS 2/9 VOTE: 19-1		2/10
HB0444	PAVLOVICH, BOB		CONST. AMEND-REDUCE COAL TAX TRUST DEPOSIT TO 25%; 25% TO SCHOOLS/BLDG MAINT			
	2/03	2/10		TABLED ON 02/18 VOTE: 17-2		
HB0447	SWANSON, EMILY		TAXATION OF RURAL RESIDENTIAL PROPERTY			
	2/03	2/12		TABLED ON 03/18 VOTE: 16-4		
HB0450	NELSON, LINDA		CLARIFY THAT NONCONTIGUOUS LAND IS ELIGIBLE FOR AGRICULTURAL CLASSIFICATION			
	2/03	2/12		TABLED ON 02/12 VOTE: 20-0		
HB0452	HARRINGTON, DAN		TAX SETTLEMENT PUBLIC INFORMATION			
	2/03	2/08		ADVERSE RPT ADOPT 2/18 VOTE: 12-8		3/03
HB0467	FAGG, RUSSELL		REVISE TAXATION OF COAL PRODUCED ON INDIAN LANDS			
	2/04	2/15		PASS AS AMENDED 3/10 VOTE: 11-9		3/10
HB0475	BROOKE, VIVIAN		ADDITIONAL BIRTH CERTIFICATE COPYING FEE USED FOR CHILDREN'S TRUST FUND			
	2/05	2/11		TABLED ON 03/05 VOTE: 14-4		
HB0490	ORR, SCOTT		STATE GASOLINE TAX ON ALL GASOLINE IMPORTED INTO STATE			
	2/05	2/11		PASS AS AMENDED 2/11 VOTE: 20-0		2/12
HB0495	ELLIOTT, JIM		ALLOW CATERING ENDORSEMENT TO BEER AND WINE RETAIL LICENSES			
	2/05	2/10		PASS AS AMENDED 2/18 VOTE: 18-1		2/23
HB0505	COCCHIARELLA, VICKI		ALLOW INCOME TAX DEDUCTION FOR DAY-CARE OPERATOR WHO CARES FOR OWN CHILD			
	2/05	2/09		PASS AS AMENDED 3/12 VOTE: 18-2		3/13
HB0519	BARNHART, BEVERLY		CLARIFY TAX PROVISIONS ON RECYCLED AND RECLAIMED MATERIALS			
	2/08	2/16		DO PASS 2/18 VOTE: 19-0		2/23

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE ------- REREFERRED ---- DATE READ

HB0523	KNOX, DICK		REVISE DISTRIBUTION OF PILT FUNDS -- STATE APPROPRIATION TO COUNTIES				
	2/08	2/16		TABLED ON	03/10	VOTE: 16-4	
HB0539	BROWN, DAVE		TAX SPECIAL FUEL AT DISTRIBUTOR LEVEL				
	2/09	2/16		PASS AS AMENDED	2/18	VOTE: 19-0	2/23
HB0557	MCCAFFREE, ED		EXEMPT COUNTY EXTENSION LEVY FROM I-105				
	2/10	2/16		TABLED ON	02/18	VOTE: 12-8	
HB0588	TUNBY, ROLPH		ALLOW SPECIAL ADMIN. LEVY, WITH VOTER APPROVAL, FOR CONSERVATION DISTRICTS				
	2/10	2/17		PASS AS AMENDED	3/5	VOTE: 11-9	3/06
HB0591	WALLIN, NORM		INCREASE BED TAX TO 5% -- PORTION OF INCREASE FOR COUNTIES, CITIES AND TOWNS				
	2/11	2/18		PASS AS AMENDED	3/18	VOTE: 13-7	3/20
HB0592	GRIMES, DUANE		HAZARDOUS WASTE MANAGEMENT PERMIT FEES				
	2/11	2/17		PASS AS AMENDED	3/12	VOTE: 16-3	3/13
HB0608	BERGSAGEL, ERNEST		CHANGING INTEREST DISTRIBUTION FROM RIT FUND; MINIMUM GRANT FUNDING LEVELS				
	3/15	3/17		PASS AS AMENDED	3/18	VOTE: 18-2	3/19
HB0616	DRISCOLL, JERRY		MHD LOAN FROM CLEAN COAL TECHNOLOGY DEMONSTRATION FUND				
	2/13	2/16		PASS AS AMENDED	3/5	VOTE: 18-2	3/06
HB0626	BOHARSKI, WILLIAM		GOVERNMENT SPENDING LIMITS				
	2/13	2/17		TABLED ON	03/12	VOTE: 11-9	
HB0627	NELSON, THOMAS		DEMAND FOR QUITCLAIM DEED BEFORE QUIET TITLE OF TAX DEED -- COSTS				
	2/13	2/17		PASS AS AMENDED	3/5	VOTE: 17-3	3/06
HB0639	DRISCOLL, JERRY		STATE MATCHING FUNDS PROGRAM FOR ECONOMIC DEVELOPMENT				
	2/17	3/09		PASS AS AMENDED	3/12	VOTE: 11-8	3/20
HB0640	DRISCOLL, JERRY		CHANGE RATE OF TAXATION ON RAILROAD CAR COMPANY PROPERTY				
	2/17	3/02		DO PASS	3/2	VOTE: 19-0	3/02

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0641	FOSTER, MIKE 2/17	3/02	APPLY GENERAL ACCOUNTING PRINCIPLES TO TAX COLLECTIONS	PASS AS AMENDED 3/2 VOTE: 19-0		3/02
HB0643	GILBERT, BOB 2/17	3/04	LAND PARCEL >= 20 ACRES MUST BE MAINLY FOR AGRICULTURE TO BE IN AG TAX CLASS	PASS AS AMENDED 3/18 VOTE: 20-0		3/19
HB0645	SCHYE, TED 2/18	3/11	INCREASE AVIATION FUEL TAX BY 2 CENTS FOR LOANS AND GRANTS FOR AVIATION	DO PASS 3/12 VOTE: 20-0		3/13
HB0649	WANZENRIED, DAVID 2/19	3/04	8-MILL LEVY FOR PUBLIC ASSISTANCE	Died in Committee - No Action		
HB0651	WANZENRIED, DAVID 2/19	3/08	REVISE GVW FEES	PASS AS AMENDED 3/18 VOTE: 11-9		3/20
HB0658	SCHWINDEN, DORE 3/04	3/09	REVISE WHEAT & BARLEY ASSESSMENT PROCEDURE TO REQUIRE COLLECTION FROM SELLER	PASS AS AMENDED 3/10 VOTE: 20-0		3/10
HB0664	HARPER, HAL 3/08	3/15	NO AG TAX CLASSIFICATION -- LAND WHICH HUNTING PERMITTED UNDER LEASE OR PAY	TABLED ON 3/18 VOTE: 19-0		
HB0669	FAGG, RUSSELL 3/10	3/16	REVISE VIDEO GAMING TAX	DO PASS 3/18 VOTE: 12-8		3/19
HB0670	BOHARSKI, WILLIAM 3/10	3/12	INDIVIDUAL MEDICAL CARE SAVINGS ACCOUNTS	PASS AS AMENDED 3/18 VOTE: 18-2		3/19
HB0671	GILBERT, BOB 3/11	3/17	BIPARTISAN REVISION OF INCOME TAXES AND CORPORATION TAXES	PASS AS AMENDED 3/19 VOTE: 10-1		3/20
HB0680	REAM, BOB 3/12	3/17	CHANGE LOW INTEREST ENERGY LOAN FROM TAX CREDIT TO RATE BASED	PASS AS AMENDED 3/18 VOTE: 20-0		3/19
HB0687	ELLIOTT, JIM 3/19	3/24	ALLOCATE % OF COAL TAX TO FWP FOR CERTAIN STATE PARK USE; APPROPRIATION	DO PASS 3/26 VOTE: 16-3		3/26

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
HB0688	GRINDE, LARRY HAL 3/19	3/24	EXTENDED DEPTH AUGER MINING IS DISTINCT MINING METHOD FOR TAXATION PURPOSES	DO PASS 3/26 VOTE: 12-8		3/26
HJ0003	GILBERT, BOB 1/15	1/20	HOUSE JOINT REVENUE ESTIMATING RESOLUTION	PASS AS AMENDED 2/5 VOTE: 19-1		2/06
HJ0030	REAM, BOB 4/06	4/12	STUDY BY REVENUE OVERSIGHT COMMITTEE OF MONTANA TAX EXPENDITURES	DO PASS 1/27 VOTE: 20-0		4/14
SB0010	TOWE, TOM 1/19	1/22	ALLOW COUNTY TO LEVY SINGLE TAX FOR FAIR, PARK, AND RECREATIONAL FACILITY	CONCUR AS AMENDED 1/27 VOTE: 20-0		1/28
SB0101	JACOBSON, JUDY 1/19	1/22	CLARIFY MASKING OF INCOME TAX DATA FOR GOVERNMENT USE	CONCUR 1/22 VOTE: 20-0		1/23
SB0114	HAGER, TOM 1/16	1/22	CLARIFY TIME TO BRING DECLARATORY JUDGMENT ACTION AGAINST TAX	CONCUR 1/22 VOTE: 20-0		1/23
SB0138	GAGE, DEL 1/23	2/02	CLARIFY THAT LOCAL GOV SEVERANCE TAX WAS ENACTED TO REPLACE PROP TAX LEVIES	CONCUR 2/5 VOTE: 19-1	EDUCATION	2/06
SB0141	ECK, DOROTHY 1/23	2/02	CLARIFYING TAX EXEMPTION OF FEDERALLY OWNED PROPERTY	CONCUR 2/3 VOTE: 18-0		2/04
SB0151	BROWN, BOB 1/23	2/02	REPEAL SUNSET ON PROPERTY TAX EXEMPT. OF CERTAIN FILM-PRODUCTION PROPERTY	CONCUR 2/3 VOTE: 18-0		2/04
SB0168	BECK, TOM 2/08	2/15	REVISING THE VALUATION AND TAXATION OF AGRICULTURAL LANDS	CONCUR 3/10 VOTE: 20-0		3/10
SB0175	GAGE, DEL 2/01	2/11	EXEMPT FIRST 1,000 TONS OF TRAVERTINE & BUILDING STONE FROM PROPERTY TAX	CONCUR 2/11 VOTE: 20-0		2/12
SB0183	DOHERTY, STEVE 1/30	2/09	ASSESSMENT OF PROPERTY THAT IS BOTH TAX EXEMPT AND NOT TAX EXEMPT	CONCUR 2/9 VOTE: 20-0		2/10

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0206	BRUSKI-MAUS, BETTY 2/01	2/11	CLARIFY THAT CERTAIN NATURAL GAS PRODUCTION IS EXEMPT FROM 7% SURTAX	CONCUR 3/5 VOTE: 12-8	APPROPRIATIONS	3/06
SB0227	STANG, BARRY 2/04	2/08	CLARIFY PAYMENT OF ESTIMATED CORPORATION INCOME TAX	CONCUR 2/8 VOTE: 18-0		2/09
SB0228	STANG, BARRY 2/23	3/08	ASSESSING A STORAGE TANK CLEANUP FEE FOR PETROLEUM PRODUCTS	CONCUR AS AMENDED 3/10 VOTE: 18-2		3/10
SB0234	HARP, JOHN 2/04	2/08	CLARIFY CONFIDENTIALITY OF CORPORATE TAX	CONCUR AS AMENDED 2/10 VOTE: 18-2		2/11
SB0235	CRIPPEN, BRUCE 3/17	3/25	REFERENDUM: 4% SALES TAX; REVISE INCOME/PROPERTY TAX; PROVIDE SCHOOL FUNDING	CONCUR AS AMENDED 4/5 VOTE: 11-9		4/08
SB0257	HARP, JOHN 3/31	4/06	INCREASE GAS AND FUEL TAX BY 4 CENTS PER GALLON IN 1993, AND 3 CENTS IN 1994	CONCUR AS AMENDED 4/5 VOTE: 13-7		4/07
SB0269	LYNCH, J.D. 2/23	3/10	VOLUNTARY WITHHOLDING FOR STATE TAX FROM FED. PENSIONS	CONCUR 3/10 VOTE: 18-2		3/10
SB0289	CRIPPEN, BRUCE 3/18	3/25	CONSTITUTIONAL AMENDMENT TO LIMIT ANY STATEWIDE SALES AND USE TAX TO 4%	CONCUR 4/5 VOTE: 11-0		4/07
SB0322	TVEIT, LARRY 3/06	3/11	ALLOWING DEPT. OF TRANSPORTATION ACCESS TO CERTAIN INCOME TAX INFORMATION	CONCUR 3/11 VOTE: 19-0		3/12
SB0325	BECK, TOM 3/09	3/11	CLARIFY INTEREST TAXED IN BENEFICIAL USE TAX	CONCUR 3/11 VOTE: 19-0		3/12
SB0359	NATHE, DENNIS 3/31	4/06	LOANS AND GRANTS TO CERTAIN RAILROADS	CONCUR 4/7 VOTE: 20-0		4/07
SB0370	RYE, DAVID 3/09	3/16	WAIVE DELINQUENT TAX ON PROPERTY SUBJECT TO A STATUTORY DUTY	CONCUR AS AMENDED 2/10 VOTE: 18/2		3/20

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0374	FRANKLIN, EVE 3/30	4/06	4/7 TABLED 11-9	INCREASE THE TAX INCENTIVE FOR THE PRODUCTION OF ALCOHOL CONCUR AS AMENDED 4/12 VOTE: 11-7		4/12
SB0379	DOHERTY, STEVE 3/18	3/26		SIMPLIFYING TAX APPEALS BEFORE STATE TAX APPEAL BOARD CONCUR AS AMENDED 4/7 VOTE: 18-2		4/08
SB0396	FORRESTER, GARY 3/30	3/31		EXCEPTION TO I-105 TO ALLOW TAXING UNIT TO CONTINUE TO LEVY ADDITIONAL MILLS CONCUR 4/1 VOTE: 11-9		4/01
SB0399	ECK, DOROTHY 2/23	3/08		ALLOW LOCAL GOVERNMENTS TO LEVY TAX FOR ECONOMIC DEVELOPMENT CONCUR 3/12 VOTE: 14-5		3/13
SB0412	AKLESTAD, GARY 3/12	3/17		CLARIFY TAX EXEMPTION OF BENEFICIAL USE OF PROPERTY OF PORT AUTHORITY CONCUR 3/18 VOTE: 19-0		3/19
SB0424	BLAYLOCK, CHET 3/31	4/07		REQUIRE LAND BOARD TO ATTAIN FULL MARKET VALUE ON SCHOOL TRUST LAND LEASES CONCUR AS AMENDED 4/7 VOTE: 14-6		4/08
SB0426	KENNEDY, JR., ED 3/31	4/02		REVISE SID AND RSID REVOLVING FUND LAWS NOT CONCUR 4/7 VOTE: 15-5	LOCAL GOVERNMENT	4/08
SB0427	HALLIGAN, MIKE 3/26	3/31		CLARIFY MILL LIMIT FOR SID REVOLVING FUNDS CONCUR 4/7 VOTE: 14-6		4/07
SB0428	AKLESTAD, GARY 3/29	4/02		PROVIDING THAT CERTAIN LOTTERY WINNINGS ARE SUBJECT TO STATE WITHHOLDING TAX CONCUR 4/7 VOTE: 18-2		4/07
SB0429	GAGE, DEL 3/26	3/31		REQUIRE DNRC TO GIVE PRIORITY TO GRANT REQUESTS FROM BOARD OF OIL AND GAS CONCUR 4/1 VOTE: 20-0		4/01
SB0431	AKLESTAD, GARY 3/29	4/05		TAX LIQUEFIED GAS & COMPRESSED GAS AT PERCENTAGE OF GAS TAX TABLED ON 04/07 VOTE: 16-4		
SB0435	GROSFIELD, LORENTS 3/31	4/02		REVISING THE GREENBELT DEFINITION OF AGRICULTURAL LAND FOR PROPERTY TAX TABLED ON 04/07 VOTE: 18-2		

- BILL NO -	REFERRED -	HEARING -	OTHER CONSIDERATION DATES -	EXECUTIVE ACTION/DATE/VOTE -------	REREFERRED ----	DATE READ
SB0436	JACOBSON, JUDY 3/31	4/05	IMPOSE A REALTY TRANSFER TAX AND DEPOSIT PROCEEDS TO SCHOOL EQUALIZATION 4/5 TABLED	ADVERSE RPT ADOPT 4/14 VOTE: 11-9		4/15
SB0438	STANG, BARRY 3/29	4/05	REVISING THE PRORATION ON MIGRATORY PERSONAL PROPERTY	CONCUR AS AMENDED 4/7 VOTE: 20-0		4/08
SJ0032	HALLIGAN, MIKE 4/13		STUDY BY THE ROC OF THE CONCEPT AND IMPLICATIONS OF A VALUE ADDED TAX	Died in Committee - No Action		

MINUTES

MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Vice Chair Dorothy Eck, on March 23, 1993, at 8:00 a.m.

ROLL CALL

Members Present:
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)
Sen. Bill Yellowtail (D)

Members Excused: Sen. Mike Halligan (D)

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: HB 196, HB 382, HB 519, HB 593
Executive Action: SB 427, SB 429, HB 283

HEARING ON HB 382

Opening Statement by Sponsor:

Rep. Mike Foster, House District 32, presented HB 382, which is a bill to establish the value of limestone for Net Proceeds Taxes and RITT. Rep. Foster said this bill comes as the result of a unique situation in Broadwater County. Continental Lime (the company) has a plant near Townsend. The company recently discovered that for the last 10 years or so, they have been vastly over-paying their taxes, thus providing a windfall for the state's economy. The Department of Revenue (DOR) agrees that by using an acceptable alternate method of calculation, the company

could legally submit its next tax filing showing zero tax dollars due. In an effort to show its intent, and continue acting as a good corporate citizen and neighbor in Broadwater County, the company is supporting HB 382 in order to establish the value of limestone at 34 cents per ton for the production of quicklime, for Net Proceeds Property Tax purposes and for Resource Indemnity Trust Tax (RITT) purposes. Continental Lime employs 56 people and has a gross annual salary of nearly $2 million. Rep. Foster said what HB 382 boils down to is whether or not this Legislature wants some tax dollars from this Company.

Proponents' Testimony:

Rep. Foster submitted a letter from the Superintendent of Townsend Schools, Exhibit No. 1 to these minutes, which expresses support of HB 382 by the Board of Trustees.

Dennis Burr, representing the Montana Taxpayers Association, appeared in support of HB 382. Mr. Burr said limestone is used for two purposes in Montana: cement and quicklime. This plant produces quicklime. Mr. Burr said several months ago, Brent Palmer, an employee of Continental Lime, contacted him with some questions about the company's net proceeds; they were having trouble getting a good bottom line in Montana and they thought net proceeds might be one of their problems. Mr. Burr looked at the company's net proceeds and compared them with the net proceeds of other limestone producers. Exhibit No. 2 to these minutes is a copy of those comparisons. Under the DOR rules, there are three methods of filing a Net Proceeds Return. Exhibit No. 3 to these minutes is a copy of the DOR's rules. The proportionate profits method of taxing is what Continental Lime has used since 1981, and which produces a very high value. The other limestone producers in the state, the cement plants, are using known sales in establishing their tax. Continental Lime had an engineering firm study sales prices from other producers around the country, which resulted in using a value of $3.50/Ton. However, at that level, their allowable deductions will wipe out the Net Proceeds and there will be no revenue for Broadwater County. HB 382 does the same thing for quicklime as is done for talc and vermiculite, which is to set the value, in this case, at 34-cents a Ton, which will result in some tax, around $30,000, for Broadwater County. Mr. Burr said the fiscal note indicates a cost cut to the University Levy and Foundation Program, and it has a $336,000 impact to Broadwater County. The fiscal note is based on using the method of filing they have used in the past, one they will not be using anymore, so if HB 382 passes, there will be tax returns to all of the funds involved. Mr. Burr thinks HB 382 is a good bill for the State and for the local governments; it will stabilize the return when this rock is mined in the state, and it insures there will be returns every year that rock is mined. He said the present system doesn't insure that.

Bill Dodge, Vice President of Continental Lime, spoke in support of HB 382, and said they view this bill as being a fair bill that will give the State value. Mr. Dodge said they were directed by the DOR to use the proportionate profits method in establishing their tax in an effort to avoid litigation other cement plants have been involved in by using the market survey method of taxing. However, in recent years it has become grossly overstated, and the regulation required they pay tax on the mine-mouth value. This calculation doubles and triples the estimated mine-mouth value. Continental Lime accepts the Tax Appeal Board findings that predicting a zero value is not acceptable and that some value has to be used. The value of $3.10/Ton is in the range of 10% of the value of the stone, which will give the city and the county an assured tax base.

Brent Palmer, an employee of Continental Lime, spoke in favor of HB 382, and presented Exhibit No. 4 to these minutes. Mr. Palmer said they compared what Continental Lime was paying as a Net Proceeds Tax with what other plants were paying, and discovered other plants were paying 17 cents on each Ton of stone. They went back and determined which companies did not pay any Net Proceeds Tax and that increased the rate per Ton to 34 cents, which is the rate they determined to be a fair rate of return. In applying the 34 cents/Ton to last year's Net Proceeds Tax Return, a value was put upon the stone of $4.79/Ton. Mr. Palmer said he cannot find any publication showing other mines producing anywhere near that value for stone. The Rock Products Magazine puts a value on crushed stone at $2.82/Ton. Continental Lime feels the $4.79/Ton price is a very fair rate for the Net Proceeds Tax and they urge support of HB 382.

Jim Hahn, Broadwater County Commissioner, spoke in support of HB 382. Mr. Hahn said that Continental Lime has been a very good taxpayer in the past years, and the Commissioners have a good working relationship with them. Commissioner Hahn asks that HB 382 be passed.

Bill Duede, representing the work force of Continental Lime, spoke in support of HB 382. Mr. Duede said with the economic and environmental changes in the world, a company has to look at any areas in which to cut costs in order to remain competitive in the marketplace. The passage of HB 382 will help Continental Lime achieve this goal. This company plays an important part in Broadwater County communities, employs approximately 60 people year-round, and the business affects other people throughout Montana who rely on this business to survive. Mr. Duede strongly urges passage of HB 382.

Bill Kearns, representing the Broadwater County Development Corporation and the Townsend Area Chamber of Commerce, asked for the Committee's support of HB 382. Continental Lime supports the community and was a good citizen in helping keep the Townsend hospital open. Mr. Kearns said this industry is good for their community and all of Montana by providing employment and taxes.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Towe asked Dennis Burr how they arrived at the 34-cent figure. Mr. Burr explained that on Page 1, Line 18, of HB 382, it refers to limestone extracted for quicklime purposes; on Page 2, Lines 16 through 24 state it is increased each year by the personal consumption expenditures (PCE). They checked and found that quicklime has been rising slower than the PCE for the last 10 years or so. There is one other place it will affect. Continental Lime's biggest contract was with Basin Electric of Wyoming. They have now built their own plant across the Montana border in Wyoming, and will be moving rock from Carbon County, Montana, to that plant in Wyoming. The Senator asked if the 34 cents is just on the gross. Mr. Burr said 34 cents is what the actual mill levy is applied to.

Senator Towe asked what PCE means. Jeff Martin, Legislative Council Staff, said this means that the gross value of the product will go up as inflation goes up. Mr. Burr said it is the normal breadbasket of consumer purchases that inflation is measured by. Mr. Martin said this formula is used in the provisions for vermiculite and talc, and tends to be a more reliable measure of adjustment for inflation.

Senator Towe asked Mr. Burr what is being done on Page 19, Lines 3 through 9. Mr. Burr said this is the RITT. By lowering the value for net proceeds purposes, the value would normally be lowered for RITT. They didn't want to do that, so the rate needed to be increased from 2.005% to 10%, so they will be paying essentially the same for the RITT under that rate as they were before. This is based on the 34 cent figure.

Senator Gage asked Mr. Burr what the personal property and real property values are of Continental Lime. Mr. Burr said it was around $25 million.

Senator Van Valkenburg asked Rep. Foster if the reduction in revenue to the Foundation Program and the University 6-mill levy has been taken into account in House Resolution 2. Rep. Foster said he does not believe so, that the Resolution was passed before HB 382 had its hearing. He does not know how it is worked in, but knows that it does appear in the printouts.

Senator Towe asked if HB 382 were to pass, would Continental Lime be contemplating asking for a refund and suing for past taxes paid. Bill Dodge said, "No". The Senator asked if there

could be a commitment to that effect. Mr. Dodge said he believes the company is blocked from doing that by current legislation because they elected to take the proportionate profits method to compute value. It is classed as property tax and, as such, they had an appeal period and did not appeal within that time.

Senator Towe asked if the proportionate profits method must be used to determine the natural resources tax. Mr. Burr replied that the argument would be whether that method yields mine-mouth value.

Senator Eck asked Mick Robinson, Director of the DOR, to respond to this issue. Mr. Robinson said he reviewed the methods of taxing the limestone industries, and noted some problems with calculating. The DOR is using a proportionate profits method and tries to be consistent with that. That particular method takes the end sales price, then calculates back to the mine-mouth value of the product. There are a lot of factors going into the further manufacturing or production of the product until the sales price is arrived at, in order to then arrive at some objective basis for starting the calculation. It is a difficult process and it puts the DOR in a difficult position in trying to calculate the formula. Because there are no sales of limestone within Montana, there isn't a good basis for making a computation of value. From the standpoint of efficiency, Mr. Robinson thinks these are some of the products better approached from a gross proceeds type of tax than a net proceeds tax because of the difficulty in determining value. From an administrative standpoint, in dealing with such a small amount of tax value state-wide, it would be easier and much more cost-effective for the DOR to approach it from a gross proceeds tax rather than a net proceeds tax.

Senator Towe asked about the 34-cent value. Don Hoffman, DOR, explained he looked at the calculations done by Continental Lime. They used the returns filed by other companies in the country that have filed on limestone, and, based on the way those returns were filed, it is an accurate number. Mr. Robinson added that the other companies in the marketplace project what they think the mine-mouth market value is. Continental Lime looks at the other companies' indications of value, including information from sales surveys, and factors all of these items in, in order to arrive at the 34 cents. Mr. Robinson thinks, based on the lack of solid data regarding sale of limestone, the 34 cents is as realistic a value as can be calculated, and doesn't think he can come up with a more objective value to give the community.

Closing by Sponsor:

Rep. Foster said this is not a good year to come in with a bill to reduce revenues. However, by taking this approach to the net proceeds tax for Continental Lime, the State will get a fair amount of tax revenue.

HEARING ON HB 519

Opening Statement by Sponsor:

Rep. Beverly Barnhart, House District #80, presented HB 519, which is a bill designed to correct a few mistakes made on the recycling bill passed by the 1991 Legislature. When people tried to use their tax deduction, the designation for paper was so unclear that the only thing they could claim was certain kinds of toilet paper. The rules need to be defined as to what recycled materials qualify for a tax deduction. Rep. Barnhart presented amendments to HB 519, as Exhibit No. 5 to these minutes.

Proponents' Testimony:

Rick Meis, owner of Treecycle Paper, a small business dealing only in recycled paper products, spoke in support of HB 519 with the amendments that Rep. Barnhart proposes. Mr. Meis presented his written testimony as Exhibit No. 6 to these minutes.

Ann-Marie Gritzuk, an employee of the Department of Natural Resources & Conservation (DNRC), spoke in favor of HB 519. The new Business Development Team within the Energy Division of the DNRC was created about one year ago to assist economic development opportunities in the State and capitalize on opportunities in energy in the environment. Ms. Gritzuk recommends adding a Section (e) to Page 7 of HB 519, stating that a person or business creating waste can use their waste and receive a 25% tax credit in order to help the original intention of the law passed in 1991. In the work of the Business Development Team there are two ways in particular Ms. Gritzuk said may be used to benefit getting out of disposal areas. One is to use fly ash, a by-product of coal combustion. Fly ash is being used in concrete products, in gypsum board, and in the manufacturing of light-weight aggregate. If HB 519 is passed into law, it would allow Ms. Gritzuk to look at Montana Power Company (MPC) as a big contributor towards utilizing fly ash. Another example is the use of sawdust or other wood waste, in wood pellets and other by-products. The DNRC is trying to get away from allowing credit to be given for the use of wastes that are traditionally used, i.e., in the production of paper. Ms. Gritzuk said these changes will increase the effectiveness of the intent of the law, which is to minimize the disposal of waste while creating economic activity.

Mark Daspit, representing the Montana Audubon Council, presented his written testimony in support of HB 519, a copy of which is attached to these minutes as Exhibit No. 7.

David Owen, employed by and representing the Montana Chamber of Commerce, spoke in support of HB 519. The goal for this legislative body seems to be to walk a fine line between providing some encouragement for recycling in a time when the

revenue picture is tough. The question on this bill would be if there is enough incentive in it. The Chamber continually encourages businesses in their recycling efforts. They supported this concept two years ago and are in support of it now.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Towe asked Ms. Gritzuk about the tax credit section of HB 519 she referred to. Ms. Gritzuk responded that Section (d) on Page 7 prohibits businesses that create waste to get the credit. HB 519 is a credit for those businesses who use recycled material in their business, and 25% of the cost of the equipment purchased to recycle material can be taken as a tax credit.

Senator Towe asked Ms. Gritzuk about the December 31, 1995, termination date of this bill. Ms. Gritzuk said the entire law, including the credit, is gone at that time.

Senator Towe asked Mr. Meis if there are very many people taking a tax credit, as opposed to a deduction. Mr. Meis said he only knows of one business in Bozeman that would qualify for a credit for purchase of equipment. As far as the deductions state-wide, even though there are a handful of who could, he would guess there are no businesses taking the deduction since it would only amount to pennies for 1992 because of the way the law reads. The Senator asked if it would make a difference if the law is changed, and the deduction is 10%. Mr. Meis said a firm in a high tax bracket, using $1,000 worth of products, would only get a credit of $10 under the current law. If it were changed to 10%, that amount would double. A law firm using $1,000 worth of paper, for instance, would get a $20 tax deduction. Businesses would have to figure if this is worth their time to pursue the tax credit or deduction.

Senator Towe asked why the intent of the Legislature is listed in Section 2 (1) instead of being in the Statement of Intent. Mr. Meis said it was put into the body of the bill in order to clarify the intent, rather than having it listed in the Statement of Intent that may not make it into the rules.

Closing by Sponsor:

Rep. Barnhart replied to Senator Towe's last question that they hoped there would be a list similar to the list on wood stoves, as to what could be taken as a deduction on the tax returns. She urged support of HB 519.

HEARING ON HB 196

Opening Statement by Sponsor:

Rep. Jerry Driscoll, House District #92, presented HB 196, which is a property tax reimbursement the State sends to local governing bodies. When the tax rate was lowered from 12% to 9% in 1989, the State reimbursed the counties based on the value of the personal property in the county on that day, and the mills kept going up. HB 196 will roll back the mills to the 1991 levy and will cap the amount of reimbursement paid to these eligible taxing jurisdictions for tax years 1993 and thereafter. Since this is a tax on personal property, the property would be depreciating, which the law does not allow, and it also allowed the mills to go up. The first year the State reimbursed the counties, it cost $18.336 million. The current projection for 1994 is $19.746, without HB 196. Each taxing jurisdiction will get the same amount forever until the law is changed; there is no escalating clause in it.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Van Valkenburg said the fiscal note indicates there is a negative impact to the General Fund of $1.4 million in FY '94, and $1.8 million in FY '95. Rep. Driscoll said this should not show as a negative impact, but as a positive impact since there will be less money spent from the General Fund.

Senator Van Valkenburg said there would be a requirement to put another $613,000 into the School Equalization, University Levy, and Assumed Welfare accounts, which would be taken from the gross of $1.4 per year. Rep. Driscoll said this is correct.

Closing by Sponsor:

Rep. Driscoll said this is another bill presented in an effort to balance the budget. The taxing jurisdictions have been raising their mills, costing the General Fund more money. If that property would have stayed in those counties, they would have been getting less than this amount because there would have been depreciation. Rep. Driscoll calls HB 196 a fair bill and asked for Committee support.

HEARING ON HB 593

Opening Statement by Sponsor:

Rep. Ted Schye, House District #18, presented HB 593, which is a bill to establish a seasonal beer and wine license for the Yellowstone Airport. HB 593 is drafted at the request of the Aeronautics Division, Department of Transportation (DOT). A similar bill has been presented to the Legislature in the past; however, that was not for a seasonal license.

Proponents' Testimony:

Mike Ferguson, Administrator of the Aeronautics Division, DOT, spoke in support of HB 593. He said a seasonal beer and wine license would enhance the operation of the airport at Yellowstone. The airport is self-sustaining; the commercial sections of the airport are leased out to private operators and vendors. They have had trouble getting and keeping cafe operators over the years, and the current operator feels it would enhance his business to be able to sell beer and wine along with the meals. There is both a smokejumper base, as well as a fire retardant bomber operation, at this airport, and the people who work there head to town rather than eat at the airport.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Towe asked Mr. Ferguson if the provision in the bill saying the DOT shall lease the license means that the DOT would own the license and would lease it to whomever is leasing the restaurant. Mr. Ferguson said this is correct; it would be a part of the lease during the time the restaurant is open, June 1st to October 1st.

Senator Towe asked what the DOT would charge the lessee for this beer/wine license. Mr. Ferguson said under the current contract, the DOT gets 10% of the lessee's gross. There wouldn't be anything extra above the 10% amount.

Senator Gage asked if this would also provide seasonal gaming. Mr. Ferguson said he thought one had to have an all-beverage license in order to have a gaming license. Senator Eck said this is not correct. Senator Gage asked if he would like to see gaming on the premises, to which Mr. Ferguson replied he would like that because it would increase the revenue at that airport.

Closing by Sponsor:

Rep. Schye said the gaming issue was brought up in the House, and they didn't know if enough money could be made with the machines over the summer season to justify the effort. He asked Committee support of HB 593.

EXECUTIVE ACTION ON SB 427

DISCUSSION:

Senator Eck said this is the committee bill from this Committee on SIDs and RSIDs because the last two Attorney Generals were not able to give an opinion on the issues. The Conference Committee in a previous legislative session did not leave minutes of their meetings, and no one could remember what the intent of the law was.

Senator Gage said he visited with Gordon Morris from the Montana Association of Counties (MACO), who said the revolving funds are county-wide if it is county, and municipal-wide if it is municipal. His concerns have been answered in this respect.

Senator Van Valkenburg said that if a tax that had been levied in 1986 is no longer being levied, the mills that had been levied could be transferred to a different purpose and still stay within the I-105 parameters.

MOTION/VOTE:

Senator Gage moved SB 427 DO PASS. The motion CARRIED UNANIMOUSLY on oral vote. (651041SC.San)

EXECUTIVE ACTION ON SB 429

DISCUSSION:

Senator Gage distributed an amendment to SB 429, which is Exhibit No. 8 to these minutes.

Jeff Martin, Legislative Council Staff, explained this amendment means that the Oil and Gas Conservation Board can only use the funds for oil and gas reclamation projects and not for any personnel costs or general operating expenses of the Board. The second part says the unobligated fund balance becomes a part of the $600,000 for the next biennium. Mr. Martin said these grants are funded by RITT.

Senator Towe asked if this bill is the one that would insist that priority be given to requests not to exceed $600,000 that would be used for plugging oil and gas wells, and this bill obviates the need for the other bill introduced by Senator Gage. Senator Gage said this is correct.

MOTION/VOTE:

Senator Gage moved for adoption of the amendments on Exhibit No. 8 (sb042901.ajm). The motion CARRIED UNANIMOUSLY on oral vote.

MOTION/VOTE:

Senator Gage moved SB 429 DO PASS AS AMENDED. The motion CARRIED UNANIMOUSLY on oral vote. (651042SC.San)

EXECUTIVE ACTION ON HB 283

DISCUSSION:

Senator Stang presented Exhibit 9, which are amendments to HB 283, and Exhibit No. 10, which is updated information on cigarette quotas on Reservations. Senator Stang said the amendments relate to the objections to this bill by the Salish-Kootenai Tribes, and are drafted to address the concerns of both the Tribes and the DOR.

Jeff Miller, Administrator of the Income and Miscellaneous Tax Division, DOR, explained the amendments. Mr. Miller said the DOR has had considerable dialogue with James Weber, Tribal Attorney for the Confederated Salish and Kootenai Tribes on the Flathead Reservation. Mr. Weber proposed a series of amendments that addressed his concerns relative to the operation of HB 283 as introduced. Through those discussions, the DOR has agreed to make changes in the bill as indicated in the amendments. The first amendment is in effect creating a situation of insuring an adequate supply of tax-free cigarettes onto the Reservation, and will do that by changing the formula for calculating the quota amounts to be using a factor of 150% of the National per capita consumption. Currently the National per capital consumption is 97 packs per individual. By going to 150%, it will be 145 packs of cigarettes per individual consumption. In this manner, the DOR is attempting to insure there will be an adequate supply of tax-free cigarettes available on the Reservations. If anything, this is an attempt to err on the side of over-supply. Exhibit No. 10 will illustrate the impact of the per capita distribution.

Senator Harp asked Mr. Miller what is responsible for the large drop in cigarette purchases on the Flathead Reservation between 1991 and 1992. Mr. Miller said the major enforcement action transpiring on that Reservation resulted in this drop in sales.

Senator Eck asked how this would conflict with HB 92. Mr. Miller said the DOR does not see any conflict between the two bills. HB 92 relates to establishing the parameters of how the negotiated agreements would work and encouraging those kinds of negotiated agreements. HB 283 is a very specific mechanical

process of establishing a supply of cigarettes on the various Reservations, and the DOR does not see it as a conflict.

Mr. Miller explained that Amendments 2, 3 and 4 are responsive to the Tribe's concerns that the negotiators at the table ought to have as much latitude as they possibly could have. These amendments will eliminate the requirement that the Tribe's tax system be identical to the state's. It opens the door to the negotiators to say that if the Tribe wants to put in place a lower tax or something like that, and if the DOR can work out a negotiated agreement to cooperatively administer it, so be it. These amendments would eliminate what the Tribe saw as impediments to that kind of situation.

Mr. Miller said Amendment 5 inserts language specifically to address this same concern of the Tribe for some flexibility.

Explaining Amendments 6 and 7, Mr. Miller said the Tribes were asking for standing in the instance of a confiscation or seizure. If there are proceeds from the seizure of unstamped cigarettes, they wanted to have standing in that situation so they could share in it, especially where they assisted the DOR in the enforcement, as was the case in the November enforcement activity on the Flathead Reservation; the Tribal Police were involved in that enforcement activity. The DOR can speak to this only so far as it goes to the State. The DOR has pointed out to the Tribe that in the event there is an issue between the Federal government and the Tribe as to standing, that is between the Tribe and the Federal government. Amendments 6 and 7 are responsive to the Tribe's concerns.

Exhibit No. 8 is important, according to Mr. Miller, because the Salish-Kootenai gave every indication they expected, given a little more time, that they would be able to reach a negotiated agreement. The DOR is interested in reaching negotiated agreements with all of the Tribes as that is the most preferable method in addressing this issue. In the spirit of accommodation, the Tribes were asking for an extension in negotiations to August 15, 1993, with the effective date of this Act, and the DOR said they would be happy to go to October 1, 1993, which is approximately six months from when the Legislature will complete its business, but is a 3-month extension from what was originally written into the bill.

MOTION/VOTE:

Senator Harp moved adoption of the amendments to HB 283.

DISCUSSION:

Senator Towe asked about the quota being extended to 150%, if this is a maximum quota, and said he assumes there is no cooperative agreement with the Salish and Kootenai Tribes yet. Mr. Miller said this is correct. In the absence of a negotiated

agreement, HB 283 will come into play to establish the supply of cigarettes to be distributed on the Reservation. Responding to Senator Towe's questions on the method of handling this, Mr. Miller said the DOR has been closely monitoring the sales from the wholesalers to all businesses in the state, but in particular to smoke shops on Reservations, because they are the only ones in the State authorized to purchase tax-free. With every order, there are documents coming to the Department to indicate the sales, and if the DOR does not have a negotiated agreement, the DOR will be able to look to past history consumption patterns geographically throughout the Reservations. Absent negotiations, if there is an extra supply and the various smoke shops consume 10% of whatever was the consumption pattern, the DOR will assume they can make some reasonable attempt to distribute that quota amount among those smoke shops, based on their past consumption patterns. There will be a reduction in the total supply available, and the DOR will try to distribute proportionately among the smoke shops. The DOR will have a 5-year history in terms of the purchase patterns, and the DOR has implemented negotiated quotas using those kinds of information as a basis.

Mr. Miller said where the DOR has implemented quotas among the four negotiated agreements in place, the past-consumption patterns are something both the DOR and the Tribe looked to in trying to allocate the quotas.

Senator Towe asked about the inter-local agreements, and why this is in HB 283 and not in HB 92. Mr. Miller said a similar bill to this one was rejected last session, and he had not made any attempt to reconcile this bill with HB 92. He thinks HB 283 is compatible with HB 92, but it is specific to the issue of cigarettes.

Senator Towe suggested adding a coordinating instruction to Section 3 of HB 283 that if HB 92 is passed and signed by the Governor, Section 3 will be deleted from HB 283. Senator Towe said one of the reasons he has problems with this bill is that it refers to an adoption of an ordinance, and he knows from personal experience that that can be a problem.

Mr. Miller responded that Section 3 and, in particular, the amended language inserted into the bill, was put there at the request of the Fort Peck Tribe and their counsel who said the negotiated agreement structure presently in place is working but if an attempt is made to modify it, they wanted specific direction and clarification that this law would not in any way impact existing quotas in negotiated agreements thereafter. Mr. Miller thinks Section 3 is important and is not incompatible with HB 92. The DOR, as well as the Tribes who already have negotiated agreements in place, are comfortable with HB 283 with Section 3 as it is written. Mr. Miller would like to see Section 3 stay in the bill.

SUBSTITUTE MOTION:

Senator Yellowtail moved a substitute motion that HB 283 BE TABLED.

DISCUSSION:

Senator Yellowtail said he wants to table this bill because HB 92 and the existing State/Tribal Cooperative Agreements Act provide adequate parameters for negotiations to take place in an orderly and normal fashion between the State and the Salish and Kootenai Confederated Tribes, and the other Tribes who have not yet completed negotiated agreements with the State. A cooperative agreement is about to be consummated between the State and the Confederated Tribe and this Committee should let that process continue. He thinks if Amendment No. 1 is adopted, the 150% figure automatically changes the scene with the other four negotiated agreements in place, and those Tribes should be able to come back and demand that their quotas be upped. Senator Yellowtail feels HB 283 is unnecessary.

Senator Stang spoke against the motion, saying the process isn't working. This bill has been before this Legislature for the past six years. The State has had six years to negotiate an agreement with these Tribes. The State has now given the Tribes another three months in good faith. Senator Stang does not want to give any more time. He fears that if HB 283 is killed, they have an unlimited time to not negotiate, and cigarettes may continue to be illegally sold on the Reservation; he feels it is time to move the process on. It is becoming a real emotional issue with people who sell cigarettes off the Reservation. Senator Stang said the DOR didn't want to put the 150% into the bill; this is a compromise the DOR made because they wanted all enrolled tribal members included, no matter where they lived in the country. Rather than err on the side of shorting the Tribes for those people who may come back to the Reservation to buy cigarettes, the DOR said they would go with 150%. If the other Tribes want to come in and re-negotiate their agreements, they can do so. However, if they are happy with the quotas they have, they may not want to re-negotiate. Those agreements were negotiated at more than what they sold in 1991 and 1992. He thinks HB 283 needs to pass in order to get the negotiation process moving forward.

Senator Gage said it is his opinion that the House will not accept the amendments to HB 283. HB 92 was passed on the premise that the taxes that are assessed by the Tribe will be in the same amount as the taxes assessed by the State of Montana. These amendments will make the taxes collected by the Tribe different from those taxes collected by the State for cigarettes sold on and off the Reservation, and he sees it as a problem.

Senator Harp spoke against the motion to table. He has carried this bill in the past and has heard these same arguments

to give a little more time for negotiations. He understands the frustrations of those people involved in the negotiations. He believes the DOR has gone too far in increasing the quota to 150% and said the tax evasion allowed to occur with this quota is hurting the other taxpayers in the State.

Senator Towe asked if the refund system works. Mr. Miller said it is a workable system which is patterned after what is in place and working in Washington today. The DOR has implemented quotas on two of the four Reservations, and is still negotiating the distribution mechanism on the other two. The requirement is the wholesaler contacts the DOR for pre-approval of the shipment. The DOR keeps track on a diminishing quota. Under HB 283, all cigarettes are stamped so the DOR will now be able to distinguish that they are legal Montana cigarettes. The wholesaler will invoice them to the Reservations tax free and get the rebate refund from the DOR. If they are not pre-approved, there will be no refund. The DOR has had excellent cooperation with the wholesalers, and the process is working well.

VOTE:

The motion to TABLE HB 283 FAILED 6-4 on Roll Call Vote (#1).

DISCUSSION:

Senator Gage asked to segregate the motion to adopt the amendments, and vote separately on Amendment No. 5. Acting Chair Eck ruled that the amendments can be segregated.

MOTION:

Senator Gage moved to segregate and not adopt Amendments Numbered 2, 3, 4, and 5.

DISCUSSION:

Senator Stang said the reason Amendments 2, 3, 4, and 5 were presented is that the Tribes worry about having to impose an identical tax, and the Confederated Salish and Kootenai Tribes are in a unique position that they can't impose a tax on their people without a vote of the Tribe. By forcing them to collect a tax at the same rate as the State imposes, it violates their own Tribal Constitution. These amendments will give them the leeway to go back to their Tribal members and impose the tax at the rate they see fit, and the amendments will be helpful to the Tribe in their negotiations with the State. Senator Stang speaks against the motion on that basis, and in favor of Amendments 2, 3, 4, and 5.

Senator Towe spoke against the motion, and in favor of Amendments 2, 3, 4, and 5.

SUBSTITUTE MOTION:

Senator Stang moved a substitute motion to ADOPT AMENDMENTS No. 2, 3, 4, and 5 on Exhibit No. 9.

DISCUSSION:

Senator Gage pointed out language on Page 4, beginning on Line 11, of HB 283, saying, "The consumer is not required to pay both the state tax and the tribal tax, but shall pay only one tax to the state in an amount equal to the tax paid on cigarettes...." He asked how this would be applied, and if the Tribe would assess a tax different than the State sets and say the consumer would only have to pay the amount assessed by the State. Dave Woodgerd, DOR Legal Counsel, said they looked at that language and they interpret it to only talk about the tax to the State and not the tax to the Tribe. No consumer is required to pay both the State tax and the Tribal tax. In terms of consistency, Mr. Woodgerd said lines 13 and 14 could be stricken from the language. The DOR felt it is okay the way it is now, so that both the State and the Tribe could impose their own tax.

VOTE:

The motion to adopt Amendments 2, 3, 4, and 5 CARRIED on oral vote with Senators Gage and Doherty voting "NO".

MOTION/VOTE:

Senator Stang moved for adoption of Amendments 6, 7, and 8. The motion CARRIED UNANIMOUSLY on oral vote.

DISCUSSION:

Senator Van Valkenburg asked Mr. Miller how important the 150% figure is to the ability to negotiate an agreement with the Confederated Tribe. He is more inclined to say that usage of non-taxable cigarettes should be allowed at 110%. He thinks putting it at 150% makes an inequitable situation for the other four Tribes who have already negotiated agreements. Mr. Miller responded that the four negotiated agreements provide for an attempt to re-negotiate in the event those Tribes would like to change their agreements. With regard to the agreement with the Confederated Salish and Kootenai Tribes, they asked that the DOR calculate the quota by the total enrollment, notwithstanding where those people might live. What the DOR has come to is an accommodation to meet them half way. The residential enrollment on the Flathead Reservation is approximately 3600; their total enrollment is 6700. They wanted an equivalent of a 100% increase, and the DOR said they would make some reasonable accommodation and they agreed to a 150% increase. That figure was a compromise and is one intending to make sure that their membership is not in a situation of having to pay cigarette taxes because of actions of a smoke shop charging the wrong person.

That Tribe is very adamant that it is an issue not of privilege but of right and the DOR is sensitive to that issue. They are trying to accommodate the Tribes by erring on the side of over-supply, that could potentially avoid disputes and litigation.

VOTE:

The original motion to adopt the Amendments (No. 1 being the only remaining motion not voted on) CARRIED 7-3 on Roll Call Vote (#2).

MOTION/VOTE:

Senator Stang moved HB 283 BE CONCURRED IN AS AMENDED. The motion CARRIED on oral vote with Senators Gage, Yellowtail and Doherty voting "NO". (651604SC.San) Senator Stang will carry the bill on the Senate floor.

ADJOURNMENT

Adjournment: The meeting adjourned at 10:05 a.m.

DOROTHY ECK, Chair

BONNIE STARK, Secretary

DE/bjs

ROLL CALL

SENATE COMMITTEE TAXATION DATE 3-23-93

NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair			✓
Sen. Eck, Vice Chair	✓		
Sen. Brown	✓		
Sen. Doherty	✓		
Sen. Gage	✓		
Sen. Grosfield	✓		
Sen. Harp	✓		
Sen. Stang	✓		
Sen. Towe	✓		
Sen. Van Valkenburg	✓		
Sen. Yellowtail	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

March 23, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 427 (first reading copy -- white), respectfully report that Senate Bill No. 427 do pass.

Signed: Dorothy Eck
Senator Dorothy Eck, Vice Chair

Amd. Coord.
Sec. of Senate

651041SC.San

SENATE STANDING COMMITTEE REPORT

March 23, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 429 (first reading copy -- white), respectfully report that Senate Bill No. 429 be amended as follows and as so amended do pass.

Signed: Dorothy Eck
Senator Dorothy Eck, Vice Chair

That such amendments read:

1. Page 2, line 16.
Following: "conservation."
Insert: "The board of oil and gas conservation shall use a grant that received priority under this subsection (a) only for oil and gas reclamation projects. A grant may not be used for personnel costs or general operating expenses of the board of oil and gas conservation.

(b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining at the end of the current biennium must be included as part of the $600,000 limitation for the next biennium."
Renumber: subsequent subsection

-END-

Amd. Coord.
Sec. of Senate

651042SC.San

SENATE STANDING COMMITTEE REPORT

March 23, 1993

MR. PRESIDENT:
We, your committee on Taxation having had under consideration House Bill No. 283 (first reading copy -- white), respectfully report that House Bill No. 283 be amended as follows and as so amended be concurred in.

Signed: Dorothy Eck
Senator Dorothy Eck, Vice-Chair

That such amendments read:

1. Title, line 13.
Strike: "IDENTICAL"
Insert: "SIMILAR"

2. Title, line 17.
Following: "CIGARETTES;"
Insert: "PROVIDING FOR A DISTRIBUTION OF PROCEEDS FROM A SALE OF PROPERTY SEIZED;"

3. Page 3, line 4.
Following: "means"
Insert: "150% of"

4. Page 3, line 22 through page 4, line 3.
Strike: ":" on page 3, line 22 through "(b)" on page 4, line 3

5. Page 4, line 11.
Following: "tribe."
Insert: "However, the tax rate determined by a tribal government on a negotiated quota amount need not equal the tax rate imposed by the state."

6. Page 6, line 23.
Following: "state,"
Insert: "tribal,"

7. Page 7, line 1.
Following: "proceeds"
Insert: ", less an amount that is based on the value of the property seized on an Indian reservation and that is allocated to a tribe pursuant to a state-tribal cooperative agreement,"

8. Page 17, line 15.
Strike: "June"
Insert: "September"

-END-

Amd. Coord.
Sec. of Senate

Stang
Senator Carrying Bill

651604SC.San

ROLL CALL VOTE #1

SENATE COMMITTEE TAXATION BILL NO. HB 283

DATE 3-23-93 TIME 8:00 (A.M.) P.M.

NAME	YES	NO
Sen. Brown		✓
Sen. Doherty	✓	
Sen. Eck		✓
Sen. Gage	✓	
Sen. Grosfield		✓
Sen. Halligan		
Sen. Harp		✓
Sen. Stang		✓
Sen. Towe	✓	
Sen. Van Valkenburg		✓
Sen. Yellowtail	✓	

Bonnie Stark
SECRETARY

Dorothy Eck, Vice Chair
CHAIR

MOTION: Tabled. Motion Failed 6-4

ROLL CALL VOTE #2

SENATE COMMITTEE TAXATION BILL NO. HB 283

DATE 3-23-93 TIME 8:00 (A.M.) P.M.

NAME	YES	NO
Sen. Brown	✓	
Sen. Doherty	✓	
Sen. Eck	✓	
Sen. Gage	✓	
Sen. Grosfield		✓
Sen. Halligan		
Sen. Harp	✓	
Sen. Stang	✓	
Sen. Towe	✓	
Sen. Van Valkenburg		✓
Sen. Yellowtail		✓

Bonnie Stark
SECRETARY

Dorothy Eck, Vice Chair
CHAIR

MOTION: adopt Amend #1 Carried 7-3.

TOWNSEND SCHOOLS
P.O. Box N
Townsend, MT 59644
(406) 266-3455

HIGH SCHOOL DISTRICT NO. 1
Broadwater High School
(406) 266-3455

ELEMENTARY DISTRICT NO. 7
Cecelia Hazelton Elementary
(406) 266-3942

SENATE TAXATION
EXHIBIT NO. 1
DATE 3-23-93
BILL NO. HB 382

February 10, 1993

Representative Mike Foster
PO Box 126
Townsend, MT 59644

Dear Mike,

I am writing on behalf of the members of the Board of Trustees of Townsend School, Elementary District #7 and High School District #1. At their regular February board meeting held last night, February 9, 1993, the trustees voted unanimously to offer their official support of HB 382 currently being considered.

Although it reduces the tax support level now being paid by Continental Lime, it is in the long term best interests of the district and the county to keep the plant a viable part of our community. The board believes that this bill will contribute greatly to the long term health of the plant. As well, Continental Lime has been a good "neighbor" to our school and the county in a wide variety of ways.

If the district can provide you with any additional information or assistance in this matter, please give me a call.

Cordially yours,

Al Mc Milin

Al Mc Milin
Superintendent

LIMESTONE

COMPANY	TONS	GROSS VALUE	GROSS VALUE PER TON	DEDUCTIONS	NET PROCEEDS	NET PROCEEDS PER TON
↓ ↓ ↓ 1992 TAX YEAR ↓ ↓ ↓ 1992 TAX YEAR ↓ ↓ ↓						
CONTINENTAL LIME	507,329	$5,151,953	$10.15	$2,082,899	$3,069,054	$6.05
HOLNAM INC.	445,071	1,295,157	2.91	1,028,677	266,480	.61
ASARCO	28,610	267,181	9.33	242,892	24,289	.84
ASH GROVE	421,183	1,474,141	3.50	1,599,942	0	0
↓ ↓ ↓ 1991 TAX YEAR ↓ ↓ ↓ 1991 TAX YEAR ↓ ↓ ↓						
CONTINENTAL LIME	302,851	$3,091,262	$10.21	$1,317,514	$1,773,748	$5.86
HOLNAM INC.	487,576	1,331,082	2.73	1,427,803	0	0
ASARCO	35,212	296,932	8.43	269,938	26,994	.77
ASH GROVE	390,956	1,251,059	3.20	1,191,896	59,163	.15
↓ ↓ ↓ 1990 TAX YEAR ↓ ↓ ↓ 1990 TAX YEAR ↓ ↓ ↓						
CONTINENTAL LIME	300,563	$3,035,494	$10.10	$1,292,532	$1,742,962	$5.80
MONTANA LIMESTONE CO.	204,368	854,429	4.18	764,136	90,293	.44
IDEAL BASIC IND.	508,950	865,215	1.70	1,515,512	0	0
ASARCO	30,633	258,217	8.42	234,743	23,474	.76
ASH GROVE	412,805	1,193,006	2.88	1,179,708	13,298	.03
↓ ↓ ↓ 1989 TAX YEAR ↓ ↓ ↓ 1989 TAX YEAR ↓ ↓ ↓						
CONTINENTAL LIME	317,439	$2,764,522	$8.70	$1,263,354	$1,501,168	$4.73
IDEAL BASIC IND.	507,109	1,195,410	2.36	637,638	557,772	1.10
ASARCO	32,793	267,310	8.15	243,009	24,301	.74
ASHGROVE	404,868	1,125,533	2.77	1,381,355	0	0
↓ ↓ ↓ 1988 TAX YEAR ↓ ↓ ↓ 1988 TAX YEAR ↓ ↓ ↓						
CONTINENTAL LIME	130,213	$5,596,758	$42.98	$4,491,323	$1,105,435	$8.49
IDEAL BASIC IND.	393,882	429,371	1.09	616,344	0	0
ASARCO	36,657	298,965	8.15	217,786	27,179	.74
ASHGROVE	320,842	882,315	2.75	1,295,045	0	0

SENATE TAXATION
EXHIBIT NO. 8
DATE 3-23-93

SENATE TAXATION
EXHIBIT NO. 3
DATE 3-23-93
BILL NO. HB 382

IMP, Secs. 15-23-102 and 15-23-503 MCA; NEW, Eff. 4/5/74; AMD and TRANS, from ARM 42.22.1103, 1986 MAR p. 2072, Eff. 12/27/86.)

42.25.1104 MINING VERSUS NON-MINING PROCESSES (1) The gross value of minerals subject to tax will be determined at the point where mining processes end and manufacturing or non-mining processes begin. In general, mining includes overburden removal, blasting, loading, transportation between mining processes, sorting, reduction and drying. Processes which will be considered non-mining are fine grinding, burning or calcining, blending with other materials, and treatment effecting a chemical change and packaging.

(a) The points at which mining processes end for specific minerals are listed below.

Mineral	Valuation Point
Bentonite	after crushing and drying
Gypsum	after crushing
Limestone	after crushing
Talc	after crushing and sorting
Vermiculite	after screening

(b) No deductions will be allowed for processing costs incurred beyond the valuation point. "After crushing" refers to after all crushing but before grinding. (History: Sec. 15-23-108 MCA; IMP, Secs. 15-23-502 and 15-23-503 MCA; NEW, 1988 MAR p. 1983, Eff. 9/9/88.)

42.25.1105 - COMPUTATION OF GROSS VALUE (1) Gross value for purposes of the mines net proceeds will be determined at the point where mining processes end and manufacturing or non-mining processes begin as discussed in ARM 42.25.1104.

(2) Gross value at the point of valuation will be determined using one of the following methods which are listed in the order they are to be considered.

(a) The producer's actual sales prices for mineral products sold at the point of valuation will be considered the best evidence of value provided the sales are arm's-length and represent approximately 30% of total mineral production. Sales of less than 30% of total production may be acceptable indicators of value if the sales price per unit is corroborated with other representative market data for minerals of like kind

and grade. Documentation for this method must be provided by the producer to the department on request.

(b) If the producer does not have the sales information discussed in (a), a market survey of other producers' sales of like kind and grade mineral products may be done. If this method is used, the producer must obtain market data for 3 or more other producers. This data must represent the results of competitive transactions in markets with a substantial number of unrelated buyers and sellers. The producer must document that all values used are for minerals of comparable quality sold in quantities approximating the producers level of production. It may also be necessary to consider the geographic area served by the markets used for comparison. All information obtained by the producer to support this method must be provided to the department on request.

(c) If the information required by (a) and (b) is not available, the proportionate profits method may be used to compute a value in the absence of adequate market data. The general formula for this computation is stated below.

$$\text{Taxable value/unit} = \frac{\text{Direct costs through valuation point}}{\text{Total direct costs}} \times \text{Sales price/unit}$$

(i) Direct costs through the valuation point will include overburden removal, drilling, blasting, loading, hauling, crushing, sorting, drying, mine reclamation, production taxes and royalties and any other direct costs incurred through the valuation point.

(ii) Total direct costs will include, in addition to those noted above, all direct costs applied to the mineral products up to the point of production of the first marketable product or group of products which have not been manufactured or fabricated. These costs will typically include grinding, burning or calcining, blending with other materials and treatment effecting a chemical change.

(iii) The sales price per unit will be the weighted average price of the first marketable product or group of substantially similar products sold in significant quantities by the producer.

(iv) Only direct costs may be used in computing the cost ratio for the formula. No costs that benefit the operation as a whole or are not directly related to a specific phrase of the mining or processing of the mineral product will be included in the ratio.

(d) The department may use an alternative valuation method if warranted by an unusual situation. (History: Sec. 15-23-108 MCA; IMP, Sec. 5-23-502 and 15-23-503 MCA; NEW, 1988 MAR p. 2507, Eff. 11/24/88.)

SENATE TAXATION
EXHIBIT NO. 4
DATE 3-23-93
BILL NO. HB 382

CONTINENTAL LIME INC.
H.B. 382 - NET PROCEEDS TAX ON LIMESTONE USED TO MAKE QUICKLIME

- The Net Proceeds Tax has been a problem to interpret and administer for decades.

- Almost all payors of the tax are now covered under special Bills or modifications.

- Using the Market Survey method of valuation for limestone has not met with approval from Department of Revenue. (Other limestone users are in various states of litigation).

- Using the Proportionate Profits method grossly overstates the value of limestone at the crusher. This is not in conformance with the Act, and results in an unfair, high tax burden.

- The Market Survey method results in a zero taxable value for Continental.

- We propose to pay based on a fixed net proceed of $.34 per ton, which is the average paid by other producers in the last five years, excluding the years they paid nothing. The average including all years is half this.

- We believe this is a fair value, and will give the state and county a stable, predictable tax base, set by our limestone consumption.

CONTINENTAL LIME INC.
H.B. 382 - NET PROCEEDS TAX ON LIMESTONE USED TO MAKE QUICKLIME

Financial Effect of Bill

Under the present "Net Proceeds" tax regulations, the gross value can be determined in one of three methods which is shown below, in preference order.

(A) Producer's actual sales price for mineral products sold at the point of valuation, providing there is 30% of the mineral product being sold.

(B) A market survey of other producer's sales of like kind and grade mineral product.

(C) The proportional profits method in order to compute a value. The general formula for this computation is as follows:

$$\textbf{Taxable Value/Unit} = \frac{\textbf{Direct Costs Through Valuation Point}}{\textbf{Total Direct Costs}} \times \textbf{Sales price/unit}$$

This is the method that we were told to use by the DOR, and have done so in previous years.

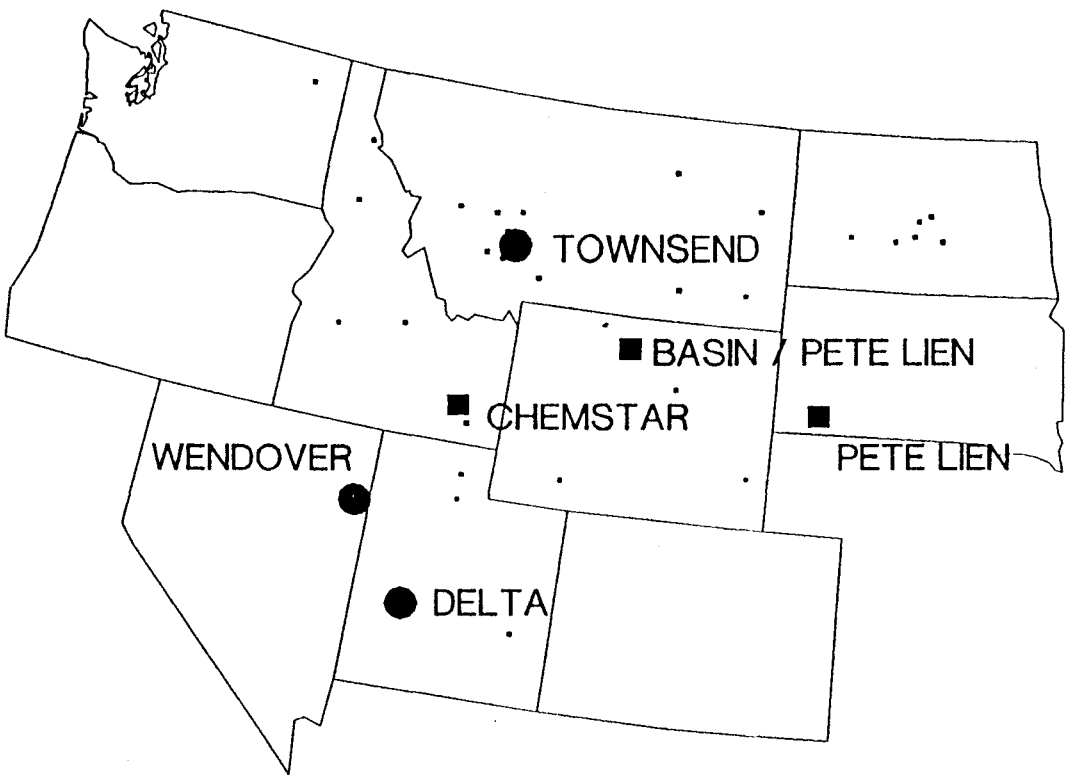
Based on this formula, we valued our stone at $10.15 for our operating year 1991, while the average for other limestone producers was $3.39/ton.

With the filing of our December 31, 1992 Net Proceeds Tax return we have changed to method "B" above (Market Survey) to value our limestone. The value that we used is $3.75/ton which was determined as a fair market value by an independent market survey. By using this value under the proportionate profits method, we had a Net Proceeds <u>loss</u> of $369,000, which will result in a **NO TAX** situation. If, however, H.B. 382 passes and we refile our return based on the proposed <u>net</u> value of $.34/ton, our Net Proceeds will be $179,332.

If we are unsuccessful with this Bill, and we continue to file using Method (B), there is every reason to believe we will be in continued litigation as are some of the other limestone producers. As a consequence, the only ones to come out ahead are the attorneys.

CONTINENTAL LIME INC.

EXHIBIT 4
DATE 3-23-93
SB HB-382



CONTINENTAL PLANTS
TOWNSEND, MT.
DELTA, UT.
WENDOVER, NV.

COMPETITOR PLANTS
CHEMSTAR
BASIN
PETE LIEN

● CLI LIME PLANT
■ COMPETITORS PLANT
• CUSTOMERS

TAXMAP

CONTINENTAL LIME INC.

INDIAN CREEK PLANT - TOWNSEND, MONTANA

NUMBER OF EMPLOYEES WORKING:	56
GROSS ANNUAL PAYROLL:	$1,943,000
STATE INCOME TAXES PAID:	$ 112,000
STATE PROPERTY TAXES PAID:	$ 913,000
GOODS & SERVICES/LOCAL:	$2,068,000

4
3-23-93
HB-382

CONTINENTAL LIME INC.
NET PROCEEDS TAX COMPARISONS 1988 - 1992
LIMESTONE PRODUCERS

LIMESTONE

COMPANY	TONS	GROSS VALUE	GROSS VALUE PER TON	DEDUCTIONS	NET PROCEEDS	NET PROCEEDS PER TON
		1992 TAX YEAR		1992 TAX YEAR		
CONTINENTAL LIME	507,329	$5,151,953	$10.15	$2,082,899	$3,069,054	$6.05
HOLNAM INC.	445,071	1,295,157	2.91	1,028,677	266,480	.61
ASARCO	28,610	267,181	9.33	242,892	24,289	.84
ASH GROVE	421,183	1,474,141	3.50	1,599,942	0	0
		1991 TAX YEAR		1991 TAX YEAR		
CONTINENTAL LIME	302,851	$3,091,262	$10.21	$1,317,514	$1,773,748	$5.86
HOLNAM INC.	487,576	1,331,082	2.73	1,427,803	0	0
ASARCO	35,212	296,932	8.43	269,938	26,994	.77
ASH GROVE	390,956	1,251,059	3.20	1,191,896	59,163	.15
		1990 TAX YEAR		1990 TAX YEAR		
CONTINENTAL LIME	300,563	$3,035,494	$10.10	$1,292,532	$1,742,962	$5.80
MONTANA LIMESTONE CO.	204,368	854,429	4.18	764,136	90,293	.44
IDEAL BASIC IND.	508,950	865,215	1.70	1,515,512	0	0
ASARCO	30,633	258,217	8.42	234,743	23,474	.76
ASH GROVE	412,805	1,193,006	2.88	1,179,708	13,298	.03
		1989 TAX YEAR		1989 TAX YEAR		
CONTINENTAL LIME	317,439	$2,764,522	$8.70	$1,263,354	$1,501,168	$4.73
IDEAL BASIC IND.	507,109	1,195,410	2.36	637,638	557,772	1.10
ASARCO	32,793	267,310	8.15	243,009	24,301	.74
ASHGROVE	404,868	1,125,533	2.77	1,381,355	0	0
		1988 TAX YEAR		1988 TAX YEAR		
CONTINENTAL LIME	130,213	$5,596,758	$42.98	$4,491,323	$1,105,435	$8.49
IDEAL BASIC IND.	393,882	429,371	1.09	616,344	0	0
ASARCO	36,657	298,965	8.15	217,786	27,179	.74
ASHGROVE	320,842	882,315	2.75	1,295,045	0	0

SENATE TAXATION
EXHIBIT NO. 5
DATE 3-23-93
BILL NO. HB519

Amendments to House Bill No. 519
Third Reading Copy

Requested by Rep. Barnhart

Prepared by Lee Heiman
March 12, 1993

1. Title, line 9.
Following: "TAXPAYER;"
Insert: "INCREASING THE DEDUCTION ALLOWED FOR PURCHASE OF RECYCLED MATERIAL TO 10 PERCENT FROM 5 PERCENT;"
Strike: "AND"
Insert: ","
Following: "15-32-603,"
Insert: "AND 15-32-610,"

2. Page 8.
Following: line 8
Insert: "**Section 4.** Section 15-32-610, MCA, is amended to read:

"15-32-610. **(Temporary) Deduction for purchase of recycled material.** In addition to all other deductions from adjusted gross individual income allowed in computing taxable income under Title 15, chapter 30, or from gross corporate income allowed in computing net income under Title 15, chapter 31, part 1, a taxpayer may deduct an additional amount equal to ~~5%~~ 10% of the taxpayer's expenditures for the purchase of recycled material that was otherwise deductible by the taxpayer as business-related expense in Montana. (Terminates December 31, 1995--sec. 9, Ch. 712, L. 1991.)""
Renumber: subsequent sections

TREECYCLE
RECYCLED PAPER
the other half of recycling

BOX 5086
BOZEMAN, MT 59717
(406) 586-5287

SENATE TAXATION
EXHIBIT NO. 6
DATE 3-23-93
BILL NO. HB 519

Testimony of Rick Meis on H.B. 519

"An Act to clarify the definition of recycled material eligible for a deduction ..."

March 23, 1993

Chairman Halligan, members of the Committee,

My name is Rick Meis, and I am from Bozeman. I have a small business called Treecycle, which sells recycled paper products. That should explain why I am here. I support HB 519 with certain amendments; certain conditions.

In 1991, when SB 111 passed, I was asked to comment on the rules proposed by the Department of Revenue to implement the reclamation and recycling credit. As someone with considerable knowledge on recycled products, I sent a letter to Revenue and said as proposed the rules were ineffective. HB 519 corrects part of that. The part I know well.

However, a few weeks ago I learned that a 5% tax deduction to a business that uses recycled products is so minuscule that it is not worth the effort. For example, a business that uses $1000 worth of recycled products in a year would get a deduction of $50 which may only reduce the total tax liability by $10 at the most. Probably less. Who is going to bother? The average business would be looking at pennies. That's no incentive. I believe we should create an incentive.

As a businessman, **I urge you to either increase the deduction to at least 15%, or better 20%, or make this a 5% credit**, which would make it an effective incentive. It goes hand in hand to support the use of post-consumer recycled products if we are going to give credits to collect that post-consumer material. Remember, a lot of collected recyclables have been landfilled due to lack of demand. A good incentive would help to create that demand.

If you feel inclined not to amend this bill, then as a Montana taxpayer I urge you to strike the deduction for use of recycled products. In tight financial times, it would be a waste of tax money and Department of Revenue time to draw up worthless rules.

Now, why you should pass an amended version of this bill.

The motto of Treecycle is "the other half of recycling." I think this is important. Recycling is a loop, and if it is going to be successful, then there must be a demand for the products made with the material which you and I take to the collection centers.

Recycling is to take our recyclables to the recycling center AND to buy and use products made with those post-consumer materials. The ability to have our paper and plastic readily accepted at a recycling center hinges on the subsequent demand for products made with those materials. This bill will help create a demand for the endless amounts of paper collected in all those big, blue bins all around the capitol building.

I know recycled paper, but much of the same holds true for plastics also, and these are two of the biggest items choking our landfills. We must make every attempt to support the collection of post-consumer materials. These make up over 85% of the post-mill recoverable paper wastes, and paper can be as much as 40% of the material going into landfills; plastics can be 7%.

My comments today are directed at paper but can be applied to other items as well.

The piece of legislation passed two years ago and the subsequent rules fall short of being effective for the purchase of recycled products. I want to address Rule 42.15.416. As it is written, for fine papers (printing and writing) the 90% reclaimed material definition is unlikely to be readily achievable even by those wishing to do so. A lack of knowledge (and a small mistake) allows only small fraction of good recycled products available. According to the rules, recycled equals 90% reclaimed equals post-consumer. This is the place where good definitions and the distinction between types of recovered materials is necessary. HB 519 provides that.

Only a tiny handful of papers for printing and writing, some speciality items like these tablets, and one brand of toilet paper qualify. Yes, I have some customers who could take deductions for 1992, if it were worth their effort.

I know this was not the intent. I hope this committee will help to correct this.

The intent of Rep. Barnhart's bill addresses post-consumer content as an ultimate goal of this legislation. **The US EPA guidelines**, for instance, after listing the minimum content specifications go on to **note the intent is the maximum post-consumer content practicable.** It is usually overlooked as the goal however, and if we state it more up front, it may help the private sector to be more aggressive in its pursuit of this.

Rep. Barnhart's bill will fix the problem in the rules as I mentioned above. It will allow businesses that put the effort forward to use good recycled products to take this token deduction.

General rulemaking authority is delegated to the Department of Revenue. They do not know all the details necessary and need to seek advise on the implementation of this. Last time they made a mistake and did not probably know it. I think directing the Department to specifically seek advise through consultation with experts in the fields will alleviate the problem, and this bill directs that to happen.

A major goal of reduction is accomplished by use of post-consumer material -- the stuff you and I take to the recycling centers; the stuff in all those big bins throughout this building.

I think it is very much a commendable move that these innovative types of deductions and credits are being developed. I encourage you to amend HB 519 to include a significant enough deduction or credit for use of recycled materials that it creates an incentive to use the paper in those blue bins.

(Ever wondered where all that paper goes?)

Thank you for your time.

Sincerely,

Rick Meis

Thank you.

Supplemental information to help understand the necessity for H.B. 519.
prepared by Rick Meis as an addendum to testimony on H.B. 519

Why a bill like this? Why recycled? What does it accomplish? Just what is it the Department of Revenue is supposed to do to meet this?

Treecycle approaches recycled paper from the angle of resource conservation, not simply trying to sell someone the recycled logo. I have done quite a bit of research into recycled paper and the the issues of solid waste and pollution which recycled paper can address.

The goals of solid waste reduction can readily include the ability to reduce pollution, and good recycled paper (and other) products can accomplish both reduction of materials going to a landfill and reduce pollution from the production of the recycled papers. The goal of solid waste reduction and land conservation (longer life landfills) and the related reduction of both pollution at landfills and in the production of the recycled product are benefits to the public and our environment.

An effectively implemented tax credit like this can also weed out those items called recycled, even 100% recycled, that really are no change from how things have always been done. 100% recycled toilet paper,for example, should not qualify unless it contains an absolute minimum of 20% post-consumer material By the time the rules are drafted, this will probably be more like 40%. Many companies have been making what some call recycled t.p. for a long time, but without the inclusion of a minimum of post-consumer material, it is really no change from what has always been done, and thus does nothing and should not be rewarded.

On the other side of the coin, just because there are some toilet papers out there that say they are 100% recycled and may be interpreted to compete with t.p.'s of new material on an even basis, the really progressive tissues that are of a high post-consumer content (and generally more expensive) should not be discounted as they really do create a demand for post-consumer recycled material.

There are about 12 or so paper companies that have extremely environmentally sound papers out - not just recycled-wise but also chemical-wise; about 6 or so that have shifted in a major way to this goal, not just putting out an image leader. But there are quite a few papers that meet the minimum possibilities I delineate below.

I think it is very important to have it applicable for tax year 1993. With the state collecting and recycling papers, and the encouragement the private sector is getting, I think we need to encourage it as rapidly as possible.

Please do not be too discouraged that I make it sound intensely more complicated than you may think it should be, but I will try to explain myself as I go. Information on, the quality of, and the understanding of recycled paper is changing rapidly. It is important to keep up and not promote the wrong kind of actions as the EPA guidelines inadvertently did.

It is also very important that we all understand the definitions associated with the word "recycle" and derivations thereof. There is not a good, hard and fast definition even for this key word. I go back to the root bases for the word and the definition becomes: to have a complete set of events or phenomena occur in the same sequence; to use over again or put back into series again.

Conservatree Paper Company has prepared a "Recycled Paper Agenda for the '90s." This is probably the most innovative proposal of its type in the nation. Much as I would like to, I do not advocate wholesale adoption of this program all at once in Montana, although it is certainly a good goal.
When a paper is labeled as a certain percentage of recycled content, it may be by weight or by fiber

(as you are probably used to). Paper can be up to 30% or more water, fillers, and chemicals. The easiest comparison for understanding this is that the average recycled paper you may be used to is labeled 50% recycled. This may be by fiber content. Measured by weight it would actually be only about 40% recycled. And vice versa, some 50% recycled,by fiber, papers may actually be closer to 60% by weight.

I do not consider mill waste as a recycled material. Again, many of the recycled papers you may be familiar with may be most, if not all, mill waste. The reason I do not accept this source as recycled is that mill wastes have always, 100%, been reused by the industry -- none has ever gone to a landfill. If the idea of recycling is to promote waste that currently is hauled away and buried as a recoverable or reclaimable resource, then it is defeating the purpose to allow something that is already used to be labeled as such.

This is where good definitions for post-mill, de-inked, and post-consumer become important. It would be defeating any intent of recycling to allow mill waste recycled papers to qualify for this deduction. We must make every attempt to support the collection of post-consumer materials. These make up over 85% of the post-mill recoverable paper wastes, and paper can be as much as 40% of the material going into landfills.

Much the same is true for plastics.

As these kinds of things change rapidly, it would be good to have the flexibility of phasing in stricter requirements in a few years, as well as offer an incentive for use of the best -- the highest post-consumer content.

I would suggest a two-tiered system would be more fair and promote use of de-inked and post-consumer materials.

For the 5% deduction:

recycled printing and writing paper should contain, by fiber:
a) 50% recycled including 10% post-consumer material,
b) 50% post-mill and/or de-inked materials

recycled newsprint should contain, by fiber:
a) 40% post-consumer material

recycled paper bags should contain, by fiber:
a) 40% post-consumer material, or
b) be made from un-repulped, recovered paper

recycled corrugated and fiberboard boxes should contain, by fiber:
a) 60% recycled content including 40% post-consumer material

recycled tissue products should contain by fiber:
a) 100% post-mill recycled materials including
40% post-consumer for paper towels,
30% post consumer for paper napkins,
20% post-consumer for toilet tissue,
20% post-consumer for facial tissue.

It should not include papers labeled recycled that are not certified in some way to contain the materials as delineated above. This could be done by the Department of Revenue in the simplest of fashions. Also note that I have listed my contents by fiber. H.B. 519 allows for either presentation of recycled content, as long as it is consistent.

It would be good to set up the system to give a higher (10%) deduction for recycled paper containing:

recycled printing and writing paper should contain, by fiber:
a) 100% post-mill recycled incl/ 20% post-consumer material,

recycled newsprint should contain, by fiber:
a) 90% post-consumer material

recycled tissue products should contain by fiber:
a) 90% post-consumer materials

These numbers are all readily achievable now in Montana. However, the numbers listed in the 5% list are very lax, and should become stricter as the market improves for what is available.
I want to emphasize that the qualifying papers should be certified in some fashion. Many businesses selling recycled paper really don't understand what it is they are selling or why. I run into this all the time. Some of the papers being sold as recycled in the state are simply papers made of mill waste. Although this currently meets the EPA guidelines, it is expected that the updated guidelines will not contain this category as it fails to meet the intent of the guidelines. In several states and Canada, this kind of paper cannot be labeled, called, or sold as recycled. It would certainly not be innovative to continue to support this problem.

An important point to remember is that the quality of recycled paper is as varied as paper itself. An often heard argument against recycled paper is that it doesn't have the quality. That would be like saying cars are noisy and uncomfortable. A few cars, maybe. A few recycled papers, maybe. There is a recycled paper that meets every need.

In fact, most recycled papers are of such a quality that the average person would be hard pressed to tell recycled from non-recycled. The most variable thing in recycled paper is the environmental quality. Some barely reduce air and water degradation. Some are as benign as it is possible to make paper. At Treecycle, we feel it is important to know that, and make every effort to offer the most environmentally benign papers that meet the quality needs of the consumer. One recycled copy paper is not necessarily the same as the next; the same with rag bond, printing paper, etc.

I have working papers on the myths and realities of recycled paper and pollution from paper production which I can send you if you are interested. Thank you for your time and interest in the matter. Do not hesitate to get hold of me if you have any questions or concerns.

Montana Audubon Council

State Office: P.O. Box 595 • Helena, MT 59624 • (406) 443-3949

SENATE TAXATION
EXHIBIT NO. 7
DATE 3-23-93
BILL NO. HB 519

3/23/93

Chapters:

Bitterroot Audubon
Bitterroot Valley

Flathead Audubon
Flathead Valley

Five Valleys Audubon
Missoula

Last Chance Audubon
Helena

Pintlar Audubon
Southwest Montana

Rosebud Audubon
Miles City

Sacajawea Audubon
Bozeman

Upper Missouri
Breaks Audubon
Great Falls

Yellowstone Valley
Audubon
Billings

Chairman Halligan, members of the Committee. My name is Mark Daspit and I represent the Montana Audubon Legislative Fund. I am here today to support House Bill 519.

In 1970, Montana produced 460 thousand tons of household garbage. By 1989, that number increased 13%. By that time, recycling had already been started and approximately 11% of our nations solid waste was being recycled.

While much is already being done, we feel that there is more that could be implemented to help the recycling effort. If tax credits are offered, there is more incentive to implement recycling programs. I believe that people will be more willing to recycle if these tax credits were offered.

Audubon supports House Bill 519 and we urge you to pass this bill.

Thank You,

Mark E. Daspit

Mark E. Daspit

Recycled Paper

Amendments to Senate Bill No. 429
First Reading Copy

Requested by Senator Gage
For the Committee on Taxation

Prepared by Jeff Martin
Department of Natural Resources

SENATE TAXATION
EXHIBIT NO. 8
DATE 3-23-93
BILL NO. SB 429 -
Executive Session

March 22, 1993

1. Page 2, line 16.
Following: "conservation."
Insert: "The board of oil and gas conservation shall use a grant that received priority under this subsection (a) only for oil and gas reclamation projects. A grant may not be used for personnel costs or general operating expenses of the board of oil and gas conservation.

(b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining at the end of the current biennium must be included as part of the $600,000 limitation for the next biennium."
Renumber: subsequent subsection

SENATE TAXATION
EXHIBIT NO. 9
DATE 3-23-93
BILL NO. HB 283
Executive Session

Amendments to House Bill 283
Third Reading Copy

Prepared by Department of Revenue in response to Concerns of the Salish-Kootenai 3/22/93

1. Page 3, line 4.
Following: "means"
Insert: "150% of"

2. Page 3, lines 23 through 25.
Strike: lines 23 through 25 in their entirety.

3. Page 4, line 1 through 2.
Strike: lines 1 through 2 in their entirety.

4. Page 4, line 3.
Strike: "(b)"

5. Page 4, line 11.
Following: "tribe."
Insert: "However, the tax rate determined by a tribal government on a negotiated quota amount need not equal the tax rate set by the state."

6. Page 6, line 23.
Following: "state,"
Insert: "tribal,"

7. Page 7, line 1.
Following: "proceeds"
Insert: "less an amount allocated to a tribe pursuant to a state-tribal cooperative agreement for cigarettes seized on an Indian reservation,"

8. Page 17, line 15.
Following: "after"
Strike: "June 30"
Insert: "October 1"

Reason for Amendment: The amendments address concerns raised by the Salish-Kootenai tribes. The first amendment increases the statutory quota of untaxed cigarettes available for purchase on an Indian reservation.

The next four amendments clarifies that tribal governments would not be required to impose an identical tax rate on cigarettes as the tax rate set by the Montana legislature. A tribe imposing a lesser tax rate could still enter into a cooperative agreement to share revenue.

The sixth and seventh amendments allocate to a tribe, a portion of the proceeds when property seized on a reservation is sold at a public auction. However, in many instances the federal government may claim the entire proceeds and neither the state nor a tribe would be entitled to any portion of the proceeds.

The eighth amendment changes the applicability date of this act from June 30, 1993 to October 1, 1993. The later applicability date would allow tribes and the state more time to prepare for the implementation of this act.

SENATE TAXATION
EXHIBIT NO. 10
DATE 3-23-93
BILL NO. HB 283 Exec Sess.

Reservation	1991 (Packs) Purchases	1992 (Packs) Purchases	1993 (Packs) Negotiated Quota	Maximum Allocation / Amended HB 283	Resident Enrollment
Rocky Boy	174,700	163,600	185,000	270,000	1,858
Crow	349,830	324,500	534,700	926,000	6,367
N Cheyenne	210,000	205,800	343,000	602,000	4,138
Ft Peck	1,118,900	1,327,200	600,000	773,000	5,312
Blackfeet	2,547,400	4,156,000	--------	1,078,000	7,406
Flathead	22,210,500	6,962,600	--------	527,000	3,625
Ft Belknap	230,300	244,700	--------	342,000	2,352
	26,900,000	13,400,000		4,518,000	31,058

Total Taxed Sales 1991 67,160,718 Packs As a % of 1991 Sales = a 83% Reduction

Total Taxed Sales 1992 67,540,109 Packs As a % of 1992 Sales = a 66% Reduction

DATE 3-23-93

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: HB 196, 382, 519, 593

Name	Representing	Bill No.	Check One Support	Oppose
Bill Kearns	BCEC	382	✓	
Jim Holt	Broadwater Co	382	✓	
Bill Quade	" "	382	✓	
Ethan Chorney	" "	382	✓	
Gordon Morris	MACO	196		
Steve Brown	Continental Lime	382	✓	
Mark Vogt	Mont. Audubon Legislative Fund	HB 519	✓	
Don Hakin	Continental Lime Inc.	382	✓	
Dick Juntunen	Resource Management Ass	382	✓	
Mike Ferguson	DOT Aeronautics Div	593	✓	
Annmarie Gritzuk	DNRC	519	✓	
Bill Dorlye	Continental Lime	382	✓	
Brent Palmer	" "	382	✓	
Dennis Burr	MOTFW	382	✓	
David Owen	MT Chamber	519	✓	
Rick Mois	Treecycle Paper	519	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

F10

CHAIRMAN--MIKE HALLIGAN
NORMAL SCHEDULE==> SITE: RM 413/415 DAYS: M,T,W,T,F TIME: 8:00 A.M.

SECRETARY-BONNIE STARK

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0008	1/20	2/01	2/1/93	CONCUR		2/01
GILBERT, BOB			CLARIFY TAXATION OF INTERSTATE MOTOR VEHICLE FLEETS			
HB0017	4/01	4/06	4/6/93	CONCUR		4/06
RICE, SHEILA			REVISE PETROLEUM AND LIQUEFIED PETROLEUM DEALER LICENSE FEES			
HB0047	1/20	2/01	2/1/93	CONCUR		2/01
GILBERT, BOB			ASSIGN COAL TAX OVERSIGHT DUTIES TO THE REVENUE OVERSIGHT COMMITTEE			
HB0088	1/20	2/01	2/1/93	CONCUR		2/01
MCCAFFREE, ED			REMOVING MINIMUM BID REQUIREMENT AT SHERIFFS' SALES/DISTRIBUTION OF PROCEEDS			
HB0092	2/20	3/18	4/12/93	CONCUR AS AMENDED		4/12
TUNBY, ROLPH			AMEND STATE-TRIBAL COOPERATIVE AGREEMENTS ACT SPECIFICALLY FOR TAXATION			
HB0103	1/20	2/01	2/4/93	CONCUR		2/04
SWANSON, EMILY			CLARIFY TAX APPEAL ONLY FROM FINAL DEPARTMENT DECISION			
HB0119	1/20	2/04	2/4/93	CONCUR		2/04
HANSON, MARIAN			CLARIFY BEER AND WINE TAX DISTRIBUTION			
HB0149	1/22	2/04	2/4/93	CONCUR AS AMENDED		2/13
LARSON, DON			ALLOW DEPT OF TRANS TO MAKE INTERSTATE AGREEMENTS ON CERTAIN FUEL TAXES			
HB0160	1/28	2/04	2/4/93	CONCUR		2/13
DEBRUYCKER, ROGER			REQUIRE AGENCY OF U.S. GOVERNMENT TO PAY PROPERTY TAXES ON FORECLOSURE			
HB0167	3/09		4/1/92, 4/2/93	CONCUR AS AMENDED		4/03
BRANDEWIE, RAY			GENERALLY REVISE NURSERY LAWS			
HB0181	3/09		2/1/93, 4/2/93	CONCUR AS AMENDED		4/03
BARNETT, JOE			REVISE APICULTURE DEFINITION, REGISTRATION FEES, AND PENALTIES			

CHAIRMAN--MIKE HALLIGAN
NORMAL SCHEDULE==> SITE: RM 413/415 DAYS: M,T,W,T,F TIME: 8:00 A.M.

SECRETARY-BONNIE STARK

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0193	3/12		4/2/93	CONCUR AS AMENDED		4/03
TUSS, CARLEY			MONTANA PRODUCE ACT			
HB0196	3/01	3/23	4/2/93	CONCUR		4/03
DRISCOLL, JERRY			CAP THE AMOUNT OF REIMBURSEMENT PAID TO ELIGIBLE TAXING JURISDICTIONS			
HB0219	4/01	4/05	4/5/93	CONCUR AS AMENDED		4/06
GILBERT, BOB			TAX CREDIT FOR ALTERNATIVE FUELS -- VEHICLE CONVERSION			
HB0250	2/04	2/16	2/16/93	CONCUR		3/02
REAM, BOB			AMENDING DOR PROPERTY TAX REVIEW AND COUNTY AND STATE TAX APPEAL PROCESS			
HB0269	2/12	3/04	3/4/93	CONCUR		3/05
LARSON, DON			GAMBLING MACHINE PERMIT GOOD FOR ENTIRE YEAR IF OPERATOR CHANGES			
HB0279	2/16	3/16	3/16/93	CONCUR		3/16
GILBERT, BOB			ESTABLISH AGENCY LIQUOR STORE FRANCHISE ACT			
HB0283	2/11	2/17	3/23/93	CONCUR AS AMENDED		3/24
ELLIOTT, JIM			REVISE CIGARETTE TAX WITH EXEMPTION FOR TRIBAL MEMBERS			
HB0297	2/04	2/16	2/16/93	CONCUR		3/01
MCCARTHY, BEA			CLARIFY CAPITAL GAINS TREATMENT FOR ESTATES			
HB0298	2/04	2/16	2/16/93	CONCUR		3/02
BIRD, JODY			EXTEND APPEAL TIME FROM STAB INVOLVING INDIVIDUAL INCOME TAX			
HB0303	2/12	3/04	4/2/93	CONCUR AS AMENDED		4/03
RICE, SHEILA			PROVIDE TAX INCREMENT FINANCING FOR POLLUTION CONTROL FACILITY OR EQUIPMENT			
HB0312	2/04	2/16	2/16/93	CONCUR		3/02
FOSTER, MIKE			CLARIFYING COMMERCIAL USE OF BENEFICIAL USE TAX			

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BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0322	4/01	4/06	4/8/93	CONCUR AS AMENDED		4/08
FELAND, GARY			EXEMPT FIRST 3 BARRELS A DAY OF STRIPPER OIL FROM STATE SEVERANCE TAX			
HB0327	2/09	2/17	3/4/93	CONCUR		3/05
MCCAFFREE, ED			CLARIFY APPLICABILITY OF $5 MINIMUM PROPERTY TAX			
HB0330	2/16	3/04	4/2/93	CONCUR AS AMENDED		4/03
BIRD, JODY			CLARIFY STATUTE OF LIMITATIONS FOR INDIVIDUAL INCOME TAX			
HB0350	2/22	3/18	4/2/93	CONCUR AS AMENDED		4/05
MASON, GARY			REVISE COAL BOARD GRANT AND LOAN PROGRAM			
HB0382	3/01	3/23	4/2/93	CONCUR		4/03
FOSTER, MIKE			ESTABLISH VALUE OF LIMESTONE FOR NET PROCEEDS TAXES AND RITT			
HB0393	3/12		4/1/93	CONCUR		4/02
WAGNER, DOUGLAS			REPLACING TIMBER STAND IMPROVEMENT FEES WITH A FOREST IMPROVEMENT FEE			
HB0402	2/16	3/16	4/2/93	CONCUR		4/03
STRIZICH, BILL			REVISE TIME FOR CANCELING PERSONAL PROPERTY TAX			
HB0413	2/20	3/17	4/2/93	CONCUR AS AMENDED		4/05
QUILICI, JOE			CLARIFICATION OF PSC AND CONSUMER COUNSEL TAX			
HB0436	3/13	4/01	4/2/93	CONCUR AS AMENDED		4/05
NELSON, THOMAS			CLARIFY DEFINITION FOR POLLUTION CONTROL TAX CREDIT			
HB0437	2/20	3/18	4/13/93 Meeting #]	CONCUR AS AMENDED		4/13
HARRINGTON, DAN			REVISE DEFINITION OF NET INCOME FOR LOW-INCOME PROPERTY TAX RELIEF			
HB0490	2/20	3/16	3/16/93	CONCUR		3/16
ORR, SCOTT			STATE GASOLINE TAX ON ALL GASOLINE IMPORTED INTO STATE			

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BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0495	3/10	4/02	4/2/93	CONCUR AS AMENDED		4/03
ELLIOTT, JIM			ALLOW CATERING ENDORSEMENT TO BEER AND WINE RETAIL LICENSES			
HB0505	3/20	4/02	4/2/93	CONCUR AS AMENDED		4/03
COCCHIARELLA, VICKI			ALLOW INCOME TAX DEDUCTION FOR DAY-CARE OPERATOR WHO CARES FOR OWN CHILD			
HB0516	3/12		4/1/93, 4/2/93	CONCUR AS AMENDED		4/03
DEBRUYCKER, ROGER			ESTABLISH FUNDING FOR MILK INSPECTION AND DIAGNOSTIC LABORATORY FUNCTIONS			
HB0519	3/08	3/23	4/2/93	CONCUR AS AMENDED		4/03
BARNHART, BEVERLY			CLARIFY TAX PROVISIONS ON RECYCLED AND RECLAIMED MATERIALS			
HB0539	3/10	4/01	4/1/93, 4/2/93	CONCUR		4/03
BROWN, DAVE			TAX SPECIAL FUEL AT DISTRIBUTOR LEVEL			
HB0555	3/12		4/2/93	CONCUR		4/03
PAVLOVICH, BOB			REVISE CLERK OF DISTRICT COURT FEES			
HB0559	3/12		4/2/93	CONCUR		4/03
ANDERSON, SHIELL			PAY STATE BAR ADMISSION FEE DIRECTLY TO STATE BAR, NOT TO SUPREME COURT			
HB0588	3/18	4/02	4/2/93	CONCUR		4/03
TUNBY, ROLPH			ALLOW SPECIAL ADMIN. LEVY, WITH VOTER APPROVAL, FOR CONSERVATION DISTRICTS			
HB0591	3/26	4/05	4/13/93, meeting #2	CONCUR AS AMENDED		4/14
WALLIN, NORM			INCREASE BED TAX TO 5% -- PORTION OF INCREASE FOR COUNTIES, CITIES AND TOWNS			
HB0593	3/01	3/23	4/2/93	CONCUR AS AMENDED		4/06
SCHYE, TED			SEASONAL BEER AND WINE LICENSE FOR YELLOWSTONE AIRPORT			
HB0616	3/26	4/06	4/12/93	CONCUR AS AMENDED		4/12
DRISCOLL, JERRY			MHD LOAN FROM CLEAN COAL TECHNOLOGY DEMONSTRATION FUND			

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HB0627	3/13	4/01	4/1/93	TABLED ON 04/01		
NELSON, THOMAS			DEMAND FOR QUITCLAIM DEED BEFORE QUIET TITLE OF TAX DEED -- COSTS			
HB0639	4/01	4/06	4/6/93	CONCUR		4/06
DRISCOLL, JERRY			STATE MATCHING FUNDS PROGRAM FOR ECONOMIC DEVELOPMENT			
HB0640	3/26	4/06	4/6/93	CONCUR		4/06
DRISCOLL, JERRY			CHANGE RATE OF TAXATION ON RAILROAD CAR COMPANY PROPERTY			
HB0641	3/10	4/01	4/1/93	CONCUR		4/02
FOSTER, MIKE			APPLY GENERAL ACCOUNTING PRINCIPLES TO TAX COLLECTIONS			
HB0643	4/01	4/05	4/12/93	CONCUR AS AMENDED		4/13
GILBERT, BOB			LAND PARCEL >= 20 ACRES MUST BE MAINLY FOR AGRICULTURE TO BE IN AG TAX CLASS			
HB0645	3/22	4/02	4/2/93	CONCUR AS AMENDED		4/03
SCHYE, TED			INCREASE AVIATION FUEL TAX BY 2 CENTS FOR LOANS AND GRANTS FOR AVIATION			
HB0651	4/01	4/05	4/8/93	CONCUR AS AMENDED		4/08
WANZENRIED, DAVID			REVISE GVW FEES			
HB0670	4/01	4/06	4/12/93	CONCUR AS AMENDED		4/13
BOHARSKI, WILLIAM			INDIVIDUAL MEDICAL CARE SAVINGS ACCOUNTS			
HB0671	3/26	4/05	4/20/93	CONCUR		4/20
GILBERT, BOB			BIPARTISAN REVISION OF INCOME TAXES AND CORPORATION TAXES			
HB0680	4/01	4/07	4/8/93	CONCUR AS AMENDED		4/08
REAM, BOB			CHANGE LOW INTEREST ENERGY LOAN FROM TAX CREDIT TO RATE BASED			
HB0687	4/01	4/07	4/8/93	CONCUR AS AMENDED		4/08
ELLIOTT, JIM			ALLOCATE % OF COAL TAX TO FWP FOR CERTAIN STATE PARK USE; APPROPRIATION			

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HB0688	4/01	4/06	4/13/93, meeting #1	CONCUR AS AMENDED		4/13
GRINDE, LARRY HAL			EXTENDED DEPTH AUGER MINING IS DISTINCT MINING METHOD FOR TAXATION PURPOSES			
HJ0003	2/16	3/16	3/16/93, 4/24/93			
GILBERT, BOB			HOUSE JOINT REVENUE ESTIMATING RESOLUTION			
HJ0019	3/01	4/06	4/13/93, meeting #1	CONCUR		4/13
BOHARSKI, WILLIAM			URGE INDIVIDUAL MEDICAL SAVINGS ACCOUNTS			
HJ0030	4/21	4/22	4/22/93	CONCUR		4/22
REAM, BOB			STUDY BY REVENUE OVERSIGHT COMMITTEE OF MONTANA TAX EXPENDITURES			

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SB0038	12/23	1/06	1/29/93	TABLED ON 01/29		
AKLESTAD, GARY			REQUIRE TWO-THIRDS VOTE IN HOUSE OF ORIGINATION FOR REVENUE BILLS			
SB0047	12/23	1/15	1/20/93	TABLED ON 01/20		
WEEDING, CECIL			INCOME TAX CREDIT FOR RURAL PHYSICIAN ASSISTANT-CERTIFIED			
SB0053	12/23	1/21	1/29/93	TABLED ON 01/29		
SWIFT, BERNIE			PROVIDE $10,000 TAX EXEMPTION FOR PENSION AND ANNUITY INCOME			
SB0065	1/02		1/14/93	TABLED ON 01/14		
KEATING, TOM			REPEAL UNEMPLOYMENT INSURANCE ADMINISTRATIVE TAX			
SB0107	1/08		---	Removed from Committee on 1/11/93	RULES	
GAGE, DEL			STATE-TRIBAL COOPERATIVE AGREEMENT ON ALCOHOLIC BEVERAGE TAX			
SB0114	1/08	1/13	1/13/93	DO PASS		1/13
HAGER, TOM			CLARIFY TIME TO BRING DECLARATORY JUDGMENT ACTION AGAINST TAX			
SB0122	1/11	1/14	1/20/93	ADVERSE RPT ADOPT		1/21
GAGE, DEL			EXEMPT MACHINERY & EQUIPMENT VALUED AT LESS THAN $100 FROM PROP. TAX			
SB0123	1/11	1/14	1/20/93	ADVERSE RPT ADOPT		1/21
GAGE, DEL			EXEMPTING SUPPLIES FROM PROPERTY TAXATION			
SB0126	1/12	1/15	1/15/93	PASS AS AMENDED		1/15
STANG, BARRY			LIMIT TIME FOR REFUND OR CREDIT OF SPECIAL FUEL TAXES AND FEES			
SB0127	1/12	1/15	1/15/93	PASS AS AMENDED		1/15
STANG, BARRY			REQUIRING PETROLEUM DEALER NOT LICENSED TO FILE QUARTERLY REPORT			
SB0138	1/13	1/19	1/19/93	DO PASS		1/20
GAGE, DEL			CLARIFY THAT LOCAL GOV SEVERANCE TAX WAS ENACTED TO REPLACE PROP TAX LEVIES			

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SECRETARY-BONNIE STARK

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SB0141	1/13	1/19	1/20/93	PASS AS AMENDED		1/20
ECK, DOROTHY			CLARIFYING TAX EXEMPTION OF FEDERALLY OWNED PROPERTY			
SB0144	1/14	1/21	1/28/93	ADVERSE RPT ADOPT		1/28
GAGE, DEL			EXEMPT OIL AND GAS FROM RITT, IMPOSE TAX FOR OIL AND GAS DAMAGE MITIGATION			
SB0148	1/14	1/21	2/11/93	TABLED ON 02/11		
GAGE, DEL			REVISE ALLOCATION OF RESOURCE INDEMNITY TAX PROCEEDS			
SB0151	1/14	1/20	1/20/93	DO PASS		1/20
BROWN, BOB			REPEAL SUNSET ON PROPERTY TAX EXEMPT. OF CERTAIN FILM-PRODUCTION PROPERTY			
SB0159	1/15	1/26	1/26/93	PASS AS AMENDED		1/26
BARTLETT, SUE			REVISE TAX DEED PROCESS			
SB0162	1/15	1/26	1/29/93	TABLED ON 01/29		
GAGE, DEL			INCREASED TAX RATE ON VALUE OF RESIDENCES OVER $200,000			
SB0168	1/16	1/22	2/3/93	PASS AS AMENDED		2/04
BECK, TOM			REVISING THE VALUATION AND TAXATION OF AGRICULTURAL LANDS			
SB0170	1/16	1/22	1/28/93	TABLED ON 01/28		
JERGESON, GREG			REVISING THE VALUATION OF AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES			
SB0175	1/16	1/26	1/28/93	DO PASS		1/28
GAGE, DEL			EXEMPT FIRST 1,000 TONS OF TRAVERTINE & BUILDING STONE FROM PROPERTY TAX			
SB0182	1/18	1/27	3/26/93	TABLED ON 03/27		
DOHERTY, STEVE			REVISE THE DEFINITION OF AGRICULTURAL LAND FOR TAX PURPOSES			
SB0183	1/18	1/27	1/27/93	DO PASS		1/27
DOHERTY, STEVE			ASSESSMENT OF PROPERTY THAT IS BOTH TAX EXEMPT AND NOT TAX EXEMPT			

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SB0191	1/19	1/29	3/26/93	TABLED ON 03/27		
AKLESTAD, GARY			ALLOW PERSONS 60 AND OVER TO DEFER INCREASES IN MARKET VALUE OF HOMESTEAD			
SB0195	1/19	1/28	1/29/93	TABLED ON 01/29		
HAGER, TOM			REVISE DEFINITION OF DISTRIBUTOR FOR LOCAL OPTION FUEL TAX			
SB0206	1/19	1/28	1/28/93	DO PASS		1/28
BRUSKI-MAUS, BETTY			CLARIFY THAT CERTAIN NATURAL GAS PRODUCTION IS EXEMPT FROM 7% SURTAX			
SB0227	1/21	1/29	1/29/93	DO PASS		1/29
STANG, BARRY			CLARIFY PAYMENT OF ESTIMATED CORPORATION INCOME TAX			
SB0228	1/21	2/03	2/5/93	PASS AS AMENDED		2/05
STANG, BARRY			ASSESSING A STORAGE TANK CLEANUP FEE FOR PETROLEUM PRODUCTS			
SB0234	1/22	1/29	1/29/93	DO PASS		2/01
HARP, JOHN			CLARIFY CONFIDENTIALITY OF CORPORATE TAX			
SB0235	1/22	2/02	3/12/93	PASS AS AMENDED		3/13
CRIPPEN, BRUCE			REFERENDUM: 4% SALES TAX; REVISE INCOME/PROPERTY TAX; PROVIDE SCHOOL FUNDING			
SB0239	1/23	2/05	3/15/93	TABLED ON 03/15		
WATERMAN, MIGNON			PROVIDE A STATE EARNED INCOME TAX CREDIT BASED ON THE FEDERAL EIC			
SB0240	1/23	2/03	3/12/93	TABLED ON 03/10		
ECK, DOROTHY			CREATE RESTAURANT BEER/WINE LICENSE WITH NO GAMBLING ALLOWED; NEW QUOTA			
SB0241	1/23	1/29	1/29/93	DO PASS		1/29
BROWN, BOB			EXTEND TAPROOM EXEMPTION TO FOREIGN BREWERS			
SB0245	1/25	2/09	2/11/93	TABLED ON 02/11		
HARP, JOHN			DIVERT COAL TAX TO GENERAL FUND			

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SECRETARY-BONNIE STARK

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0247	1/25	2/09	2/11/93	TABLED ON 02/11		
KEATING, TOM			AUTOMATIC REPEAL OF THE RIT TAX WHEN THE RIT FUND REACHES $100 MILLION			
SB0257	1/26	2/19	3/26/93	PASS AS AMENDED		3/27
HARP, JOHN			INCREASE GAS AND FUEL TAX BY 4 CENTS PER GALLON IN 1993, AND 3 CENTS IN 1994			
SB0269	1/27	2/05	2/11/93	PASS AS AMENDED		2/11
LYNCH, J.D.			VOLUNTARY WITHHOLDING FOR STATE TAX FROM FED. PENSIONS			
SB0283	1/30	2/10	---			
WATERMAN, MIGNON			GENERALLY REVISE INCOME TAX AND PROPERTY TAX LAWS AND IMPOSE SALES TAX			
SB0289	2/01	2/11	3/15/93	DO PASS		3/15
CRIPPEN, BRUCE			CONSTITUTIONAL AMENDMENT TO LIMIT ANY STATEWIDE SALES AND USE TAX TO 4%			
SB0299	2/02	2/11	2/12/93	ADVERSE RPT ADOPT		2/12
CRIPPEN, BRUCE			REFERENDUM ON RETAINING OR REPEALING A STATEWIDE SALES TAX; COMP. TAX REFORM			
SB0302	2/22		3/16/93	PASS AS AMENDED		3/27
TOWE, TOM			CREATE INTERIM COMMITTEE TO STUDY SCHOOL ISSUES			
SB0305	3/12		3/25/93	PASS AS AMENDED		3/27
KLAMPE, TERRY			INCREASE SALES TAX ON CIGARETTES AND TOBACCO OTHER THAN CIGARETTES			
SB0308	2/20		4/1/93	TABLED ON 04/01		
STANG, BARRY			REVISE METHOD OF CALCULATING GTB AID TO ELIGIBLE SCHOOL DISTRICTS			
SB0316	2/04	2/12	3/3/93	PASS AS AMENDED		3/03
TOWE, TOM			GENERAL REVISION OF TREASURE STATE ENDOWMENT PROGRAM			
SB0322	2/05	2/12	3/3/93	PASS AS AMENDED		3/03
TVEIT, LARRY			ALLOWING DEPT. OF TRANSPORTATION ACCESS TO CERTAIN INCOME TAX INFORMATION			

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BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0325	2/05	2/17	3/4/93	DO PASS		3/05
BECK, TOM			CLARIFY INTEREST TAXED IN BENEFICIAL USE TAX			
SB0359	2/11	2/16	3/26/93	PASS AS AMENDED		3/27
NATHE, DENNIS			LOANS AND GRANTS TO CERTAIN RAILROADS			
SB0370		2/02	3/4/93			
RYE, DAVID			WAIVE DELINQUENT TAX ON PROPERTY SUBJECT TO A STATUTORY DUTY			
SB0370	2/12	3/02	3/24/93	PASS AS AMENDED		3/05
RYE, DAVID			WAIVE DELINQUENT TAX ON PROPERTY SUBJECT TO A STATUTORY DUTY			
SB0374	2/12	3/02	3/24/93	PASS AS AMENDED		3/25
FRANKLIN, EVE			INCREASE THE TAX INCENTIVE FOR THE PRODUCTION OF ALCOHOL			
SB0376	2/12	2/19	3/26/93	TABLED ON 03/26		
ECK, DOROTHY			INCREASE GAS TAX AND SPECIAL FUEL TAX FOR ALLOCATION TO LOCAL GOVERNMENTS			
SB0378	2/12	3/03	3/26/93	PASS AS AMENDED		3/27
GROSFIELD, LORENTS			ELIMINATE CERTAIN DEDICATIONS OF REVENUE			
SB0379	2/12	3/02	3/10/93	PASS AS AMENDED		3/11
DOHERTY, STEVE			SIMPLIFYING TAX APPEALS BEFORE STATE TAX APPEAL BOARD			
SB0382	2/12	3/04	3/15/93	TABLED ON 03/15		
WEEDING, CECIL			ALLOCATING A PORTION OF COAL SEVERANCE TAXES TO E. COAL COUNTIES TASK FORCE			
SB0396	2/15	3/09	3/09/93	DO PASS	TAXATION	3/12
FORRESTER, GARY			EXCEPTION TO I-105 TO ALLOW TAXING UNIT TO CONTINUE TO LEVY ADDITIONAL MILLS			
SB0396	3/12		3/22/93	DO PASS		3/22
FORRESTER, GARY			EXCEPTION TO I-105 TO ALLOW TAXING UNIT TO CONTINUE TO LEVY ADDITIONAL MILLS			

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SECRETARY-BONNIE STARK

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SB0402	2/15	3/09	3/11/93	PASS AS AMENDED		3/12
TOWE, TOM			PROVIDE FOR SALE OF TREASURE STATE ENDOWMENT BONDS			
SB0410	2/16	3/10	3/26/93	PASS AS AMENDED	STATE ADMIN.	3/27
RYE, DAVID			REVISING BENEFITS AND VIDEO GAMBLING TAXES FOR SHERIFFS' RETIREMENT SYSTEM			
SB0412	2/16	3/09	3/9/93	PASS AS AMENDED		3/09
AKLESTAD, GARY			CLARIFY TAX EXEMPTION OF BENEFICIAL USE OF PROPERTY OF PORT AUTHORITY			
SB0421	2/18	3/10	3/10/93	TABLED ON 03/10		
FORRESTER, GARY			GUARANTEED INCREASE IN SHERIFFS' RETIREMENT FUNDED BY VIDEO GAMBLING TAX			
SB0422	2/18	3/11	3/15/93	TABLED ON 03/15		
CHRISTIAENS, CHRIS			REQUIRE COST APPROACH FOR VALUING RESIDENTIAL IMPROVEMENTS FOR PROPERTY TAX			
SB0424	2/19	3/19	3/25/93	PASS AS AMENDED		3/27
BLAYLOCK, CHET			REQUIRE LAND BOARD TO ATTAIN FULL MARKET VALUE ON SCHOOL TRUST LAND LEASES			
SB0426	2/20	3/17	3/25/93	PASS AS AMENDED		3/27
KENNEDY, JR., ED			REVISE SID AND RSID REVOLVING FUND LAWS			
SB0427	2/20	3/17	3/23/93	DO PASS		3/23
HALLIGAN, MIKE			CLARIFY MILL LIMIT FOR SID REVOLVING FUNDS			
SB0428	3/02	3/24	3/24/93	PASS AS AMENDED		3/25
AKLESTAD, GARY			PROVIDING THAT CERTAIN LOTTERY WINNINGS ARE SUBJECT TO STATE WITHHOLDING TAX			
SB0429	3/05	3/19	3/23/93	PASS AS AMENDED		3/23
GAGE, DEL			REQUIRE DNRC TO GIVE PRIORITY TO GRANT REQUESTS FROM BOARD OF OIL AND GAS			
SB0431	3/10	3/24	3/24/93	PASS AS AMENDED		3/25
AKLESTAD, GARY			TAX LIQUEFIED GAS & COMPRESSED GAS AT PERCENTAGE OF GAS TAX			

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SECRETARY-BONNIE STARK

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
SB0433	3/18	3/24	3/25/93	TABLED ON 03/25		
AKLESTAD, GARY			INCOME REQUIREMENT FOR LAND TO BE CLASSIFIED AS AGRICULTURAL FOR TAX			
SB0434	3/22	3/26	---			
HALLIGAN, MIKE			SINGLE BUSINESS TAX -- V.A.T.			
SB0435	3/23	3/26	3/26/93	PASS AS AMENDED		3/27
GROSFIELD, LORENTS			REVISING THE GREENBELT DEFINITION OF AGRICULTURAL LAND FOR PROPERTY TAX			
SB0436	3/24	3/26	3/26/93	PASS AS AMENDED		3/27
JACOBSON, JUDY			IMPOSE A REALTY TRANSFER TAX AND DEPOSIT PROCEEDS TO SCHOOL EQUALIZATION			
SB0437	3/24	3/26	3/26/93	TABLED ON 03/27		
BIANCHI, DON			IMPOSE TAX ON CERTAIN REAL PROPERTY TRANSFERS AND PROVIDE DISTRIBUTION			
SB0438	3/24	3/25	3/25/93	DO PASS		3/25
STANG, BARRY			REVISING THE PRORATION ON MIGRATORY PERSONAL PROPERTY			
SJ0007	1/02	1/08	1/20/93	TABLED ON 01/20		
GAGE, DEL			STUDY LIQUOR SYSTEM			
SJ0010	1/13	1/19	1/19/93	TABLED ON 01/19		
GAGE, DEL			JOINT RESOLUTION REQUESTING AN INTERIM STUDY ON APPRAISAL OF PROPERTY			
SJ0013	2/22		4/12/93			
TOWE, TOM			RESOLUTION URGING FLEXIBILITY IN NEGOTIATING STATE-TRIBAL GAMING COMPACTS			
SJ0032	4/06	4/08	4/8/93	DO PASS		4/08
HALLIGAN, MIKE			STUDY BY THE ROC OF THE CONCEPT AND IMPLICATIONS OF A VALUE ADDED TAX			
SJ0033	4/07	4/12	4/12/93	PASS AS AMENDED		4/12
BARTLETT, SUE			REQUEST INTERIM STUDY ON IMPROVEMENT DISTRICT FINANCING IN MONTANA			

CHAIRMAN--MIKE HALLIGAN
SECRETARY-BONNIE STARK
NORMAL SCHEDULE==> SITE: DAYS: ON CALL TIME:

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
HB0667	3/26	4/06	4/12/93	CONCUR AS AMENDED		4/13
FAGG, RUSSELL		IMPROVING EQUITY BY RESTRUCTURING THE FUND AND BUDGETING FOR SCHOOLS				

CHAIRMAN--MIKE HALLIGAN
SECRETARY-BONNIE STARK
NORMAL SCHEDULE==> SITE: DAYS: ON CALL TIME:

--BILL NO--	--REFER DATE--	--HEARING DATE--	--CONSIDERATION DATES--	--COMMITTEE ACTION--	--REREFERRED TO COMM--	--DATE OUT-
SB0432	3/12	3/22	---	None		
TOWE, TOM			REVISE EQUALIZATION OF SCHOOL FUNDING			